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FBIS-EEU-93-179 CONTENTS *17 September 1993*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

INTERNATIONAL AFFAIRS

Serb-Muslim Declaration Signed in Geneva *[TANJUG]* 1

ALBANIA

UN Sanctions Isolate Northern Regions *[RILINDJA 14 Sep]* 2
Socialist Press Views Local Election Results *[ZERI I POPULLIT 14 Sep]* 2
  Protests Radio-Television Bias *[ZERI I POPULLIT 14 Sep]* 3
Socialist Party Spokesman Issues Statement *[ZERI I POPULLIT 12 Sep]* 3

BULGARIA

Zhelev Call for Permanent MFN Status Termed 'Naive' *[KONTINENT 13 Sep]* 5
Matinchev Meets With Teachers Representatives *[BTA]* 5
Diplomatic Talks With Macedonia Open in Sofia *[BTA]* 6
SDS Attitude to Yugo-Embargo Criticized *[KONTINENT 13 Sep]* 6
BTA Provides Data on Economic Situation 8

CZECH REPUBLIC

Klaus Discusses Israeli-PLO Agreement *[CTK]* 9
  Comments on Economic Transition *[CTK]* 9
  Reports on 1994 Budget *[CTK]* 9
Zieleniec Views Foreign Policy, ODS Issues *[RUDE PRAVO 9 Sep]* 10
Kocarnik Makes Positive Assessment of Economy *[CTK]* 13
Government Approves 1994 State Budget *[CTK]* 14
LSU Formed as Political Party; Trnka Re-Elected *[CTK]* 14
Parties Reportedly Failing To Account for Income *[CTK]* 14

SLOVAKIA

Meciar Discusses Chances of Joining NATO *[PRAVDA 11 Sep]* 16
SDL Opposes Church Property Restitution Bill *[CTK]* 16
Unemployment Rate Reaches 13.53 Percent *[NARODNA OBRODA 15 Sep]* 17
Reinforcement of Defense Against Hungary Urged *[REPUBLIKA 13 Sep]* 17

HUNGARY

Finance Minister Views Bank Fraud, Loans *[MAGYAR HIRLAP 16 Sep]* 19
IMF Endorses New Credit Line for Government *[MTI]* 20
MTI Reports Increases in Consumer Prices *[MTI]* 20
Editorial on Demonstration by Agricultural Workers *[MAGYAR HIRLAP 15 Sep]* 21

POLAND

Disagreement on Withdrawal of Last Russian Troops *[Warsaw TV]* 22
Suchocka Summarizes Results of Prime Ministership *[Warsaw TV]* 22
UD's Mazowiecki on Parties, Election, Walesa *[RZECZPOSPOLITA 13 Sep]* 25
Walesa To Respect Outcome of Elections *[PAP]* 29
BBWR's Olechowski on Prime Minister Office, Alliances *[NOWA GAZETA 17 Sep]* 29

Ω Joint Weapons Production With Swedish Firm Begun *[POLSKA ZBROJNA, etc.]* 30

ROMANIA

Melescanu, Hungary's Jeszenszky Hold More Talks *[Bucharest Radio]* 31
    Melescanu, Jeszenszky Sign Accords *[ROMPRES]* 31
    MP's Receive Jeszenszky *[ROMPRES]* 32
    Iliescu Meets With Jeszenszky *[MTI]* 32
    Iliescu, Jeszenszky Make Statements *[Bucharest Radio]* 33
Vacaroiu To Set Up Corruption Control Commission *[Bucharest Radio]* 33
Defense Minister Returns From Visit to Turkey *[Bucharest Radio]* 33
Article Views Necessity of Dialogue With Hungary *[ROMANIA LIBERA 14 Sep]* 33

BALKAN CRISIS ROUNDUP

Foreign Media Bulletin: Balkan Crisis 17 September 35

BOSNIA-HERZEGOVINA

Izetbegovic Comments on Talks With Clinton *[Sarajevo Radio]* 36
Herceg-Bosna Against Further Concessions to Muslims *[Zagreb Radio]* 37
Herceg-Bosna Endorses Tudjman-Izetbegovic Agreement *[Zagreb Radio]* 37
Muslim, Croatian, UN Commanders May Meet 17 Sep *[Sarajevo Radio]* 37
Croat-Muslim Clashes Reportedly Continue *[TANJUG]* 38
Croatian Shelling of Mostar Districts Reported *[Sarajevo Radio]* 38
Army Command Distances Itself From Atrocities *[Sarajevo Radio]* 39
    UNPROFOR Demands Punishment *[TANJUG]* 39
Tanks Withdraw From Banja Luka Following Agreement *[TANJUG]* 39
    Blockade Ends *[TANJUG]* 40
    Political Demands Abandoned *[Belgrade Radio]* 40
U.S. Ambassador Discusses Problems in Central Bosnia *[Sarajevo Radio]* 40
Aid Convoy Stopped in Zvornik, Proceeding to Gorazde *[TANJUG]* 41
Bank To Add Zeroes to Old Notes *[Sarajevo Radio]* 41
Battles for Strategic Kupres Region Predicted *[POLITIKA 25 Aug]* 41

CROATIA

Serbs Confirm Croatian Withdrawal From Villages *[TANJUG]* 43
Serbs Say Tudjman Requested Cease-Fire *[TANJUG]* 43
Shelling of Knin Area Reportedly Continues *[TANJUG]* 44
    Defense Ministry Denies Report *[Zagreb Radio]* 44
Almost 50 Serbian Fighters Killed in Recent Clashes *[TANJUG]* 44
More Attacks in Biograd, Zadar Reported *[Zagreb Radio]* 44
German Envoy Warns Croats Against Renewed War *[TANJUG]* 44
RSK's Jarcevic Says Kozyrev Statement Insulting *[TANJUG]* 44
Hadzic Threatens To 'Reconquer' Osijek, Vinkovci *[POLITIKA 15 Sep]* 45
Serbian Leader Dragan Announces 'Large-Scale Offensive' *[Vienna WIENER ZEITUNG 16 Sep]* 45
    Rejects Threats Against Europe *[Vienna KURIER 16 Sep]* 46
Susak Receives UK's Armed Forces Minister *[Zagreb Radio]* 46
Destruction of Multiethnic City of Zadar *[VREME 23 Aug]* 46
Background of July Unrest in Occupied Regions *[DANAS 24 Aug]* 48
Seks on HDZ Factions, Opposition *[DANAS 24 Aug]* 50
Christian Democratic Chief on Rallying Opposition *[DANAS 24 Aug]* 53
Banker on Cooperation With Islamic Countries *[DANAS 24 Aug]* 55
Electricity Reduction in Dalmatia *[VJESNIK 24 Aug]* 57

SLOVENIA

Army Organizes Maneuvers Near Croatian Border *[TANJUG]* 58
Replacement of Intelligence Service Chief Rumored *[Ljubljana Radio]* 58
Open Letter on Communist Vestiges in Country *[DELO 24 Aug]* 58

YUGOSLAVIA

Federal

Aid to Serbs in Bosnia, Croatia Estimated *[BORBA 13 Sep]* 60
Lilic Discusses UN Sanctions, CSCE Membership *[TANJUG]* 60
Budget 122 Times Larger Than Proposed in July *[POLITIKA 21 Aug]* 61
Metropolitan Against Independent Montenegrin Church *[NIN 20 Aug]* 61
Banks Warned of Strict Monetary Measures *[POLITIKA 21 Aug]* 63

Serbia

Radical Party Plans No-Confidence Vote in Government *[TANJUG]* 63
Seselj Blames Communists for 'Putsch' in Banja Luka *[Belgrade Radio]* 63
Agricultural Cooperation Discussed With Russia *[TANJUG]* 64
'Disobedient' Directors of Firms Threatened *[BORBA 21 Aug]* 64
Unemployment Compensation Limited to Two Years *[POLITIKA 21 Aug]* 65
Nonpayment of Promised Minimum Wages *[POLITIKA 18 Aug]* 65

Montenegro

Bulatovic Comments on Visit to Albania *[Belgrade Radio]* 66
  Commentary Views Motives *[POBJEDA 9 Sep]* 67
Government Abolishes Defense Ministry *[TANJUG]* 67
Social Democrats Against Expanded Serbia *[POLITIKA 25 Aug]* 67
Relationship Among Serbian Parties Viewed *[MONITOR 6 Aug]* 68
Assembly Deputy President on Minority Rights *[MONITOR 6 Aug]* 69

Macedonia

Macedonia Suffers Damage From Sanctions *[NOVA MAKEDONIJA 11 Sep]* 71
VMRO-DPMNE Expresses Support for Croats *[Zagreb TV]* 72

Kosovo

Daily Welcomes Bulatovic's Albania Trip *[TANJUG]* 73
'Repression and Apartheid' Force Albanians To Flee *[ATA]* 73
Programs of Illegal Groups in Kosovo *[BORBA 16 Aug]* 73

Serb-Muslim Declaration Signed in Geneva

LD1609124093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1212 GMT 16 Sep 93

[Text] Geneva, 16 Sep (TANJUG)—Serb-Muslim talks on the overall normalization of relations ended in Geneva at noon today with the signing of a joint declaration. It was agreed that Lord Owen and Stoltenberg, the two cochairmen of the International Conference on Yugoslavia, will convene a meeting of all three warring sides at Sarajevo airport on 21 September when propsects will be discussed for signing the entire peace packet to include both the Serb-Muslim and the Croat-Muslim declarations.

The document signed today by Momcilo Krajisnik, president of the Srpska republic assembly (on behalf of the Srpska republic president), and by Alija Izetbegovic, leader of Bosnian Muslims, envisages the cessation of all hostilities and armed clashes between the Srpska republic army and the army loyal to the Muslim Presidency, coming into effect by 18 September at the latest. The document also provides for establishing direct communication lines between the two commands.

The two sides also agreed mutually and unconditionally to close down all camps and release prisoners from the territories under the control of the two armies. The declaration envisages the closure of camps to begin by 21 September at the latest. The first on the list of camps to be closed down are Tarcin, in which Muslims hold 207 prisoners, and Kula, in which Serbs hold the same number of prisoners.

The Serb and Muslim sides agree to ensure unhindered passage for humanitarian convoys and civilians, and not to obstruct the work of humanitarian organizations.

The joint declaration, very similar to the document signed in Geneva on 14 September by Croatian President Tudjman and Bosnian Muslim leader Izetbegovic, envisages the setting up of a group to monitor and safeguard human rights in the territories under the control of the two armies and of a group for territorial demarcation between the two republics within the union of Bosnia-Herzegovina. The latter group will also be responsible for resolving territorial issues in the regions of Brcko, Bosnian Krajina, the River Neretva valley, Mt. Ozren, and eastern Bosnia-Herzegovina, as well as the two republics' natural right to access to the sea.

After an acceptable solution for territorial division is found, during the two-year UN mandate on the territory of Bosnia-Herzegovina, the three republics will have the right to organize a referendum at which citizens will have an opportunity to decide whether to remain in or leave the union of Bosnia-Herzegovina.

In the event of the disintegration of the Union of Bosnia-Herzegovina, all rights belonging to the Union—including membership of the United Nations—will automatically be transferred to the republic with the majority Muslim population.

In order to create stable relations and make common contribution to peace in the region, the signatories have decided to set up a group to resolve the issue of the status, material, and other issues of refugees and displaced persons and a group with the task of drawing up an agreement on using energy and communications potentials.

The declaration envisages the appointment of officials with full responsibility and powers to implement all provisions hereby agreed to.

Izetbegovic's envoy is [Bosnia-Herzegovina Foreign Minister] Haris Silajdzic, and Karadzic's envoy is Momcilo Krajisnik.

Lord Owen and Thorvald Stoltenberg [went to Istanbul today to attend a meeting with the Turkish foreign minister. The two cochairmen will return to Belgrade tomorrow for further consultations on the conclusion of an overall peace package.

UN Sanctions Isolate Northern Regions

AU1609171793 Tirana RILINDJA in Albanian 14 Sep 93 p 1

[Article by Sami Neza: "Unofficial Embargo Against the North of Albania"]

[Text] Since May 1992, when the United Nations imposed international sanctions against the former Yugoslavia, the embargo also penetrated areas not foreseen by the UN map. The northern, northwest, and northeast border regions of Albania are suffering from a lack of trade, and are compelled, as once before, not to allow a single needle to come or go across the hypothetical line dividing the two countries. People in these areas now think differently about the embargo. The decline to zero of trade with Montenegro and Kosova, two important partners for new Albanian merchants, is threatening Albania with bankruptcy. It is no longer possible to talk about even relative price stability, as this is as impossible as evading the embargo. However, this cannot be called merely a local loss. Important enterprises that carry weight in the national economy run around in circles, covering up their losses in the north as national losses. International rail traffic is totally paralyzed, because Albania's only link with the international rail network crosses the Montenegrin border. Because of the embargo, grass grows on this railroad. As Bajze stationmaster Agron Ramadani told ATA, this station, which handles all freight coming from the north and all rail freight exports, has been most affected by the embargo, losing $50,000 in the last nine months, compared with a profit of $30,000 last year from transit traffic through the station. About 60 private firms in Shkoder and Malesia e Madhe have gone bankrupt, and others will collapse. Sali Berisha, president of the Republic of Albania, has always advocated a milder attitude to Montenegro compared to Serbia, trying to at least use the influence he has to ease the sanctions against this small country that is nevertheless very important for economic exchange, because it is one of the main northern ports for the Albanians. Shkoder, now in semi-isolation, together with some other northern regions, has become a delicate domestic problem for no domestic reason. Nobody inside Albania can take responsibility for the rising prices in Shkoder, the inflation in Tropoje, and the danger of the collapse of private trade operations throughout the north. Another Albanian economic center that is closed is the chromium mine at Kam, whose production is destined entirely for export to Kosova. The goods needed for trade in Tropoje are bought in Tirana, 260 kilometers away, when they used to be bought in Gjakove, which is only 50 kilometers from the district's capital of Bajram Curri. Their prices double because of transportation costs, making customers exclaim at sidewalk kiosks in towns and villages. Qafa e Prushit, one of the main customs points, is well guarded by the border and financial police. They are the most fanatical guardians of the embargo, and at the same time its victims. Conditions are so unfavorable that this isolation has affected virtually every branch of the economy. Shkoder, once planned to have free trade zones together with its adjacent districts, is now headed for an emergency situation. UN organizations must be informed in detail about this, and there is a need for these organizations to start highly preferential aid projects throughout the north. The above data show some of the substantial damage caused by the embargo. In other ways, this damage runs deeper. In the period of transition, the burden of an embargo threatens the life-breath of the economy in this northern nook of Albania. The losses to the country caused by the embargo have been calculated at $400 million as of last month, a sum that places Albania at the head of the list of countries affected by the embargo against the former Yugoslavia, compared with other countries such as Greece, Bulgaria, Romania, etc. Regardless, the Albanian state is showing itself to be the strictest in enforcing the embargo against Serbia and Montenegro. This stance is maintained because the Albanians attach great importance to the political results of the embargo.

Socialist Press Views Local Election Results

AU1609164693 Tirana ZERI I POPULLIT in Albanian 14 Sep 93 p 1

[Unattributed editorial: "The Democratic Party's Victory in Zergan and Luzni—An Invitation To Respond to the Opposition's Challenge to Early Elections"]

[Text] The Democratic Party's [PD] state locomotive called on two communes of Diber District, where local government elections were to be held. The people of these constituencies, as on 22 March, were once again faced with the PD's promises and believed the party that had a short time before distributed three months' worth of aid for the land and had filled the communes' warehouses with humanitarian aid. The warehouses were kept closed as a sign of pressure on the people so that they would vote without fail for the PD. So that is what they did. The voters could not let this aid be send back to other constituencies that are so close to the PD's heart. The government sent 18 million leks of aid to Luzni for peasants with little land, which was distributed according to a law put forward by the Socialists. Of course, the promises of 22 March were repeated at these elections. We want to propose an "addition" to the plans proposed by the PD at the first elections in Luzni, but the voters of Luzni decided to entrust the completion of the original plan to the PD. Satisfied with what little land they have and confident of the PD's promises, they voted against the "collectivization" that PD-ite propaganda claimed that a Socialist Party [PSSh] victory would bring! They voted against the PSSh's candidate with the college degree in economics and in favor of the PD's candidate with a high school diploma. Did they, one wonders, vote for a sack of old clothes given by charity? Did the people of Zergan vote to put up to auction their age-old woodlands for the sake of four liters of cooking oil in compensation?

While wishing the PD success in future elections, we would also like to wish the people of these two constituencies success in realizing their dreams and all the promises made by the PD. We would only not wish them one thing: that the candidates they have just elected should turn out, like their predecessors, to be thieves of aid, incompetent, corrupt, and antipluralist. Thus the PD's glorious tradition of successive victories in Diber will be maintained for as long as possible. We also think that this victory will persuade the PD to enter with total confidence an early general election as soon as possible.

Protests Radio-Television Bias

AU1609174793 Tiranna ZERI I POPULLIT in Albanian 14 Sep 93 p 1

[Article by Ardian Myslimi: "'Independent' Television Exposes Itself Again"]

[Text] Television, lined up among the ranks of the party's trustees, remains the party's most obedient footsoldier. Together with RILINDJA DEMOKRATIKE, it performs the favorite and most applauded duet of those in power. The so-called state television speaks and falls silent according to orders from above. When the party needs it, it becomes the town crier, and if the party says so, it keeps silent.

To prove once again that it remains "independent of the Democratic Party [PD]," television obeyed the most recent order not to broadcast the Socialist Party [PSSh] Presidium statement. Its suppression was only part of the scenario being played out against the opposition and especially the PSSh. It was a sequel to the chronicles of illegal counter-rallies of the PD rabble and the malicious editing of the PSSh's rallies with stale and shameless statements from our rulers about the PSSh and its leaders. The statement published in ZERI I POPULLIT on 12 September confirmed once again the political position that the PSSh has chosen regarding Albania's's integration in the European Community. The declaration conflicted with and criticized the unprincipled campaign that the PD has begun on television and in RILINDJA DEMOKRATIKE. It was precisely for this reason that it was not to the taste of the television directors who, together with their bosses, hope to cover up bitter Albanian reality by not broadcasting a statement. Albanian Radio-Television, whether it speaks the truth or not, whether it broadcasts the statements of the opposition or not, counts for nothing anymore. The veneer of the law on depoliticization has now been totally rubbed away, exposing the truth. Radio and television have become an "annex" to the offices of the PD Central Committee and spokesmen for its leaders, servants of the PD Politburo. However, even without this vacuous propaganda, people recognize the truth and are not taken in by the bombastic statements of the PD and Mr. Selami. With or without such statements, they have understood the reason Albania has not been integrated into the European Community. They recognize this reality, because they are the unemployed thronging the sidewalks, who are left without education, and who dare not face the future with courage. Radio-Television's staff should take no pride in having become part of the PD apparatus and in having their professional consciences and training trampled on by purblind directors and party hacks. Under the rule of fear, they would not dare remove a comma from the statements of the PD and Mr. Selami, because, after the news, they would be summoned to the personnel office to receive their dismissal notices. However, these things are of no importance for the Radio-Television we have. After all, they are only acting on the orders of their party. They should not imagine that they have done any harm to the PSSh by not broadcasting its statement, because the only people who listen to their news are those who produce it.

Socialist Party Spokesman Issues Statement

AU1709075593 Tirana ZERI I POPULLIT in Albanian 12 Sep 93 p 1

[Statement by Socialist Party Presidium spokesman; place and date not given: "The Socialist Party's Main Orientation Has Been and Remains Albania's Integration in Europe"]

[Text] Over the last few days, the Democratic Party's [PD] leaders have been creating an uproar in the press and unsuccessfully playing with words over the stance of Namik Dokle, chairman of the Socialist Party [PSSh] parliamentary group, at the meetings with the Council of Europe delegation. They are dousing the public with the now familiar speculations that Namik Dokle is allegedly against Albania's admission to the Council of Europe.

Continuing these slanders, yesterday RILINDJA DEMOKRATIKE published a PD Presidium statement, signed by its chairman Selami, instead of an editorial.

ZERI I POPULLIT has informed the public in detail of what Namik Dokle, chairman of the PSSh parliamentary group, said to the Council of Europe delegation. If they have any doubts about this, we recommend that the gentlemen of the PD Presidium and Mr. Selami take the recording of the meeting from the Palais des Congres, where the official meetings were held and where Mr. Selami was also present, type it up, and publish it wherever they wish, at home and abroad. We would be very grateful for this.

We nevertheless remind you, gentlemen of the PD, that when Mr. David Atkinson, chairman of the Commission for Relations With Non-Member States, asked whether Albania was ready to be admitted to the Council of Europe, Namik Dokle replied, "We would like Albania to be ready to be admitted as soon as possible to the Parliamentary Assembly of the Council of Europe, but we observe with regret that we still have no constitution and no guarantees for human rights and freedoms, and our state is still governed by a communist mentality..."

What Namik Dokle said is the official political stand of the PSSh and its parliamentary group. The deliversions you PD gentlemen are attempting to create about disowning this statement are all in vain. You are blowing this horn in vain, but, if you have strong lungs, keep blowing it.

You PD gentlemen contradict yourselves when on the one hand you accuse Dokle and the PSSh and on the other announce in megalomaniac fashion that Europe has not been asking us. Instead of explaining yourselves, you create an uproar. As long ago as 10 February of this year, Mr. Selami said that Albania would be admitted to the Council of Europe before the end of 1993. There was every possibility of this, but you made a total mess, imagining that you could deceive Europe just as you deceived a handful of voters with humanitarian aid and inhumance lies. It is the failed domestic and foreign policies of the PD and the PD administration, the failure to prepare the constitution, and the flagrant violations of human rights and freedoms that are the real reason for Europe's attitude, which you are vainly trying to cover up with pompous accusations and insults against Namik Dokle and the PSSh. At the same time, we stress that Europe is indeed asking us questions and is interested in democracy in Albania, which means that it asks about and is interested in the PSSh, the main opposition party in Albania. You imagine that Europe only listens to your tune and your chorus, which any conductor would find difficult to keep in harmony.

What does the PD and its chairman E. Selami want? For us to say that Albania does have a constitution and guarantees for individual rights and freedoms? To say that Fatos Nano is not in jail as a political prisoner but is traveling the world? To say that no citizen of Lac died under police torture, or that no innocent woman of Tropoje miscarried in prison? By stating the truth to the people and to Europe, we are not engaging in "anti-Albanian activities." On the contrary, we are throwing a bucket of cold water over those who wish to turn Albania back into their own demon [word as published] and into a "banana republic" without dignity, and talk about reopening the prisons of Spac and Burrel. We say to them, "If you love Europe, follow her democratic path!"

In your statement in RILINDJA DEMOKRATIKE, you vainly try to retouch the resume of a government that has failed at home and abroad. The people know this, and know that the world, too, knows it. The PD's failure to be admitted to the European Democratic Union is connected with this. You must understand this much, when you shoulder great tasks. Why do you try to deck yourself out with a fine hairdo, when those few hairs you have are falling out? Gentlemen of the PD, could Mr. Atkinson have put it in plainer Albanian when he says that "Albania cannot be admitted to the Council of Europe without approving the constitution?"

The PSSh has from the start supported Albania's European integration. This has been and will remain its main Albanian foreign policy goal. Our political commitment to European integration is real and tangible. Meanwhile you gentlemen of the PD, even though you started by launching the slogan "toward Europe," have devised and implemented a foreign policy that has alienated Europe an distanced Albania from her.

Zhelev Call for Permanent MFN Status Termed 'Naive'

AU1709084393 Sofia KONTINENT in Bulgarian 13 Sep 93 p 6

[Unattributed commentary: "President Should Keep to Essentials in his Letter"]

[Text] In his letter to U.S. Vice President Al Gore, President Zhelev proposed that the United States should grant Bulgaria most-favored-nation [MFN] status in their bilateral trading relations for all time. In this connection, questions immediately arise that require answers from Dr. Zhelev's foreign policy advisers.

First, of course, there is the minor question of protocol: Why is the president of Bulgaria writing a letter to the U.S. vice president instead of the President himself? The impression is created that Dr. Zhelev is perforce belittling his own status.

If the argument is put forward that Al Gore is the Senate chairman who deals with issues regarding the granting of MFN status, then in that case National Assembly Chairman Aleksandur Yordanov is the man who should have contacted Gore.

Perhaps the reason is that Bulgaria has no vice president?

However, these are only matters of protocol.

Let us consider the essence of the matter. This demand is of little importance and will have a minimal effect on Bulgaria's trade relations with the United States. It is, therefore, naive and, most of all, populistic. As things presently stand, every year the Senate votes to extend Bulgaria's MFN status another year, provided that certain conditions are satisfied. This is in the nature of a permit system. If the Senate accepts President Zhelev's proposal and grants Bulgaria the honor of MFN status "forever," then the permit system will no longer operate. However, if elections are held in Bulgaria and are won by a party that in President Zhelev's view is not sufficiently democratic, will the president's advisers counsel him to ask the U.S. Senate to cancel this permanent status?

Instead of wasting his time on such matters, the president should raise the issue of compensation for the losses from the FRY [Federal Republic of Yugoslavia] embargo with the Americans point-blank. He should also consider his choice of advisers.

Matinchev Meets With Teachers Representatives

AU1509175393 Sofia BTA in English 1633 GMT 15 Sep 93

[Text] Sofia, September 15 (BTA)—The beginning of the school year, which was marked officially throughout the country today, found teachers on strike alert. 98 percent of them are ready for strike action, according to Yanka Takeva, chairperson of the Teachers' Union Strike Committee. However, the situation rather gloomy because Bulgaria's educational system is on the verge of collapse, according to the Teachers' Trade Union.

This conclusion proceeds from the chronic shortage of funds and the fact that education still has no national programme and standards. Many schools throughout the country were not repaired for lack of funds. The Education Ministry was short of some 353 million leva to finance the necessary repairs. So it is likely that many students will go on extra holidays when winter sets in.

Though unemployment is not widespread among teachers, many schools have to dismiss some of their staff as there are not enough students to attend their classes. The funds for retraining of teachers with college education, who constitute two-thirds of the teaching staff, are insufficient too. At the same time many schools are understaffed. Sofia is facing a shortage of teachers in English, French and German, while ethnic minority regions need teachers in the mother-tongues.

The school year is starting with a record number of schools without principals. The Education Ministry held competitive exams but most vacancies were not filled as there were few candidates and still fewer eligible ones. Some schools failed to follow the proper procedure.

The Independent Teachers' Trade Union with the Confederation of Independent Trade Unions recently sent a letter to the education minister, recalling that teachers have been on strike alert since last October. The Trade Union warned that teachers would go on strike unless the government urgently allocated the needed funds from the budget. Teachers protest the Finance Ministry's directive for 10 percent personnel cuts in education. The Education Ministry is against education-wide cuts but a final decision is yet to be taken. The Teachers' Trade Union and Deputy Prime Minister Evgeni Matinchev today discussed options to meet the teachers' demands. Mr. Matinchev pledged there would be no redundancies. The talks are expected to continue tomorrow.

Teachers insist that the problems with equipment, low pay, massive redundancies and closures of schools and kindergartens be addressed at a national meeting.

Problem-ridden as it is, the education system raises hopes with its increasing number of licensed private schools. According to the Education Ministry, there are 23 of them: Eight primary schools, one junior high school, two secondary schools, three religious and five vocational schools, one specialized school and three kindergartens.

Diplomatic Talks With Macedonia Open in Sofia

AU1709064493 Sofia BTA in English 2014 GMT 16 Sep 93

["Today"—BTA lead]

[Excerpts] Sofia, September 16 (BTA)—Delegations of the foreign ministries of Bulgaria and the Republic of Macedonia start consultations here today. The Bulgarian delegation is headed by Deputy Foreign Minister Dimitur Ikonomov and the Macedonian by Assistant Foreign Relations Minister Viktor Gaber, the Press Office of the Bulgarian Foreign Ministry informed BTA.

Bilateral political consultations between the foreign ministries of Bulgaria and the Kingdom of Sweden and the Republic of Finland were held in Helsinki today at the level of chief of department. They discussed the state of bilateral relations between Bulgaria and each of the two states and discussed their stands on topical foreign political and international relations issues, the Press Office of the Foreign Ministry announced. [passage omitted]

Mr. Chavdar Nikolov, ambassador extraordinary and plenipotentiary of Bulgaria to Brazil, presented his credentials to Brazilian President Itamar Franco. The two sides discussed possibilities for activating and deepening bilateral relations in all spheres, the Press Office of the Foreign Ministry reported.

Today parliament passed on second reading the bill on the amendment of Decree No. 56 on Economic Activity. This was the 15th and final "repair" of this decree, Mr. Georgi Nikolov, deputy chairman of the Parliamentary Budget Committee, said in an interview for National Radio. He explained that the main purpose of the amendments is to unify the regulations for the taxation of juristic persons. Mr. Nikolov explained the numerous changes by the fact that the decree came into force in early 1989 and was drafted in the conditions of a planned economy.

Today the Supreme Court passed its final verdict on the Chernobyl trial in which former Alternate Member of the Politburo of the Central Committee of the Bulgarian Communist party and Chairman of the Government Commission for Management of Natural Disasters and major industrial accidents Grigor Stoichkov was sentenced to three years in prison and former First Deputy Minister of Health Care and Social Welfare Lyubomir Shindarov to two years in prison for not taking any, or as the verdict reads "sufficient" measures to protect the population after the Chernobyl accident. Mr. Stoichkov's and Mr. Shindarov's lawyers appealed for reducing the sentences and the prosecution demanded for the sentences to be lengthened. Today the Supreme Court made Grigor Stoichkov's sentence equal to Lyubomir Shindarov's - two years in prison. [passage omitted]

The Governing Board of the Bulgarian Physicians Union protested strongly against the unmotivated and incompetent, according to it, intentions of Finance Minister Stoyan Aleksandrov for mass cuts in medical personnel. In an announcement received at BTA the Governing Board assesses the hitherto activities of the Health Ministry as extremely indecisive and hesitant. The Union insists on the resignation of Deputy Health Minister Dr. Zlatitsa Petrova and of Finance Minister Stoyan Aleksandrov. At an extraordinary session today the Bulgarian Physicians Union decided to discuss protest actions within a week.

The 14th Regular Congress of the Federation of Agricultural Trade Unions with Confederation of Independent Trade Unions in Bulgaria (KNSB) opened in Sofia today. The two-day forum will discuss the progress of the land reform and elect new bodies of the federation and a delegation to the forthcoming congress of the KNSB.

Mr. Stefan Nikolov, leader of the Nova Bulgaria Party declared himself in support of early elections today. The party intends to form a campaign coalition with two other formations - the Constitutional Forum and the Bulgarian Liberals Party. [passage omitted]

A mission of the International Atomic Energy Agency will start work on September 20 at the Kozloduy N-plant, the BTA correspondent in Vratsa (Northwestern Bulgaria) was told by the management by the plant. The group of safety inspectors will check the implementation of the recommendations of last year's mission which inspected the four old generating units. The group includes experts of the IAEA, the EC, France, Great Britain, Russia, Japan, the U.S. and Bulgaria. [passage omitted]

A rally of striking tobacco producers in the Village of Kirkovo (Southeastern Bulgaria) ended today with the symbolic burning of tobacco. The strikers are protesting against the low purchase prices of tobacco. This is the second case of tobacco burning in the region this week. The relay hunger strike which started this week and in which over 1,000 people of the municipality are expected to take part, will continue till September 20 when it will become known whether the demands of the tobacco producers will be satisfied. If no acceptable solution is found, the strikers threaten to block the roads and stage civil disobedience in Sofia and Kurdzhali, the BTA correspondent for Southeastern Bulgaria reported.

SDS Attitude to Yugo-Embargo Criticized

AU1709092393 Sofia KONTINENT in Bulgarian 13 Sep 93 p 6

[Article by Todor Gagalov, chairman of Civic Initiative Movement: "Problem Does Not Lie in Pro's and Con's of the Embargo"]

[Text] The stormy discussions about the embargo and the SDS [Union of Democratic Forces] stance regarding it should be considered from many different aspects. The arguments "for" and "against" in one form or another directly concern fundamental premises that are connected with the foundations of Bulgarian foreign policy as regards defending our national interests. In this connection, one should consider the following basic points:

1. After 1989, along with everything else, the world also saw the collapse of the status quo that the "Allies" (the USSR, United States, and Britain) established during the World War II years and subsequently by means of a number of open and secret accords.

2. The upsetting of the status quo (if only by the unification of Germany) could not fail to cause tension in the relations among the Balkan states. A number of disputed issues are plainly evident, regarding which neither the United Nations nor the Western European countries and the United States have a clearly formulated and precise concept that takes into account the new political, economic, and ethnic situation in accordance with the processes that have evolved (and are still evolving) and the relations recently created (and still being formed) in this region.

3. It may be accepted that what the SDS officially declares and defends as the basic parameters of its foreign policy activities represents a peculiar attempt to return Bulgaria to a traditional policy that was followed between the two world wars, a policy of strict observance of the international accords and UN resolutions in combination with calling for a revision of the Treaty of Neuilly and defending the rights of the Bulgarians living in Dobrudzha, Thrace, and Macedonia.

Accordingly, the problem of the embargo should not be posed by putting forward arguments "for" or "against." This will not lead to any rational results for Bulgaria, but merely give rise to the exploitation for political ends of a vital factor that we are accustomed to refer to as protection of national interests. It appears that the only rational approach at present is to stress the urgent need to draft, present, discuss, and adopt a specific package of short- and medium-term measures that will not so much compensate Bulgaria as ensure normal conditions for our economic and trading activities.

At this point I will permit myself to quote an example. The supporters of the so-called transit corridor and of fixing quotas for imports from Serbia and exports to Serbia cite the losses from the embargo. However, the strange thing is that no official figures on these losses have been published anywhere (at least, I have not seen them), although there is much mention in the press and much public talk about immense losses.

At the same time, many companies report that under the former SDS government, during the period when we were observing UN Resolution 820, they received permits from the Sanctions Committee and did not incur any of the losses that are being suffered now, under the government of the DPS [Rights and Freedoms Movement], as a result of Decrees Nos. 67 and 72, which the Council of Ministers adopted in 1993, flying in the face of all logic, with insufficient jusitification, and in complete contravention of the Law on Protection of Competition and Removal of Monopolies. These decrees imposed a ban on the export of entire groups of products, such as waste and scrap made of ferrous and nonferrous metals and their alloys.

In the case of a substantial proportion of these materials, such as alloy steels, slags, and so on, Bulgaria simply does not possess the technologies required to process them. Perhaps we will wait until such enterprises are opened up, in the same way as the people of Shumen have waited and are still waiting for the aluminum slag to be processed, while the aluminum waste accumulates in open pits and has contaminated the earth with substances that have made the local people's teeth fall out. Where are the experts from the government and the economic, environmental, and other commissions who are to analyze everything as a starting point for drafting programs and handling criticisms against the DPS government?

That is why I find it strange, to say the least, that the clearly belated reaction of some SDS leaders who deal with foreign policy, such as Nikolay Slatinski [chairman of the Parliamentary National Security Commission], met with such sharp comment, as reflected in a series of articles published in DEMOKRATSIYA (E. Alfandari's commentaries, for example). The tenor of the articles was excessively sharp, while the criticism (actually justified in some cases) showed once again that the SDS National Coordinating Council and Parliamentary Group have no clear and consistent concept for the defense of Bulgaria's national interests.

Thus, today the case of the embargo again urgently raises the question: What prevented (and still prevents) the detection and analysis of the (voluntary or involuntary) mistakes by the SDS regarding the defense of Bulgaria's national interests on a political, economic, and cultural level.

I would venture to state that, in the final analysis, the SDS leadership as a whole is responsible for a peculiar way of "carrying over" [from a previous era] a definitely feeble (not to say nihilistic) policy of protecting the country's national interests by mainly trying to win the support of exterior forces. This is the policy that was strictly observed by the communist regime over the last half century. Thus, we can definitely say that certain "eras" and "political spaces" were irresponsibly applied to the period of transition, despite the fact that today the SDS looks to the West across the Atlantic rather to the northeast, like the former communist regime. Nevertheless, eras and spaces have always been inseparable, especially in politics and ideology. Moreover, history has definitely confirmed that the transition from one social era to another does not necessarily lead to a "bright future," and this is true of international relations in particular.

Naturally, the embargo could turn from being a "punishment" into the greatest benefit for the Balkan peoples ever, provided it puts an end to the totalitarian regime in the area and contributes to the peaceful development of the country in Southeastern Europe, and provided it happens before the countries of the former socialist camp on the Balkan peninsula have finally ruined their chances of economic development for several decades.

Nevertheless, history has repeatedly demonstrated that the solution of such Balkan problems with assistance from abroad has never produced positive results leading to the longed for happy end. The unpleasant fact (not to use a more drastic word) is that the SDS has not drafted any reasonable modern concept on national issues and national security that is likely to be accepted by public opinion. Instead, innumerable (nationalistic) parties, organizations, foundations, and others have emerged. They are trying to tackle the nationality issue, the question of national security, ethnic interrelations, and so on, not only in a narrowminded partisan manner, but also from a Russian, German, Turkish, American, Macedonian, all-European, and various other points of view, all of which, however, are overshadowed by a powerful socialist trend, which is definitely prevailing. In addition, the outlines of nationalistic ideas for the solution of certain problems have recently been even more clearly evident.

BTA Provides Data on Economic Situation

AU1609161893 Sofia BTA in English 1440 GMT 16 Sep 93

[Text] Sofia, September 16 (BTA)—There has been some recovery in industry, National Statistical Institute [NSI] spokesman Dimitur Fratev told a news conference today, reporting figures on the business climate in August.

This conclusion proceeds from a 8.1 percent increase of total sales in state and cooperative enterprises from July, a 7 percent intcrease of production and a certain decrease of finished goods inventories.

While the decline of production persists, its intensity keeps falling. Production was down 4.9 percent from August 1992, and sales fell 5.4 percent. The proportion of enterprises with a production decline of over 60 percent, however, has dropped from 51 percent a year ago to 30 per cent this August. These enterprises account for a mere 11 percent of sales, therefore, the bulk of enterprises have shown a slight decrease or even increase of sales.

August production increased in ferrous and non-ferrous metallurgy, electronics and the petrochemical industry.

The role of the private sector keeps growing in domastic trade. Sales in private-sector trade grew 37 percent from July. Between January and August, the private sector accounted for over 57 percent of the domestic market sales, and NSI experts expect its share to exceed 60 percent by the end of the year.

Employment in the state and cooperative sector kept declining in August. Since the beginning of the year, an average 10,000 jobs have been lost every month.

Klaus Discusses Israeli-PLO Agreement

AU1609151893 Prague CTK in English 2125 GMT 14 Sep 93

[Text] Prague Sep 14 (CTK)—Czech Premier Vaclav Klaus told the Czech radio station Radiozurnal today that the signing of peace agreements between Israel and the Palestinian Liberation Organisation (PLO) was a huge, rare and extraordinarily valuable breakthrough in spite of the fact that the decade-long crisis in the Middle East has not been settled.

Klaus said that Israeli Foreign Minister Shimon Peres, whom Klaus considered to be an exceptional world politician, was the major architect of the Arab-Israeli peace agreement. Klaus said he saw the Israeli-PLO agreement as an impulse and prototype for solving other unsettled problems in the world, including in the former Yugoslavia.

Referring to the government draft law on children's allowances, Klaus said he considered it a gross mistake to raise children's allowances above the level proposed by the government, as was decided by deputies of parliamentary committees.

To raise children's allowances without taking into consideration the family situation... is not only populism, it is simply foolishness and the bad usage of taxpayers' money which could be used in a far, far better way, Klaus said.

He said that to interfere in such a well-thought-out and prepared partial amendment to the whole system of social safety with such an easy and cheap gesture, which will rather meet than not meet with applause, is simply a gross, gross mistake and the government will oppose it.

At its session July 25, the government proposed increasing children's allowances as of October. The amount of the allowances will depend not on the number of children in a family, as it was up to now, but on children's age. The government proposed that children under six would get 340 crowns (11 USD) per month, children from six to ten would get 380 crowns (12 USD) and from ten to 15, 450 crowns (15 USD). The state allowance for students older than 15 will be 490 crowns (16 USD) per month. However, the parliamentary Budget Committee, the Committee for Social Policy and the Health Care Committee recommended that all kinds of children's allowances be increased by approximately 50 crowns compared to the government bill.

The Czech parliament decided today not to include the government bill in the agenda of the 12th parliament session which opened today.

Comments on Economic Transition

LD1509200893 Prague CTK in English 1803 GMT 15 Sep 93

[Text] Prague, September 15 (CTK)—In comparison with other post-communist countries, the Czech Republic's transition to a market economy has so far been very successful, Premier Vaclav Klaus said yesterday during the official opening of the 35th Brno International Engineering Trade Fair.

Despite the division of Czechoslovakia at the beginning of the year and the global economic recession, the Czech economy has registered a drop of only half a per cent, and slight growth is expected for the whole year, Klaus reported.

Foreign as well as Czech companies could use the trade fair to take stock of the opportunities which now exist in the Czech Republic, he said.

Central to the transition were the creation of a stable political, economic and institutional framework, a rational financial policy, price deregulation and liberalisation, the opening up of the old, partially self-sufficient economy to the world and, above all, private enterprise encouraged by privatisation, he said. There have, he added, been positive results in all these directions.

Klaus praised the country's economic stability, saying that few European countries could boast almost totally liberalised prices with under one per cent inflation, a small state budget surplus, internal convertibility of the crown at an exchange rate unchanged for almost three years, and rising foreign currency reserves—all of which the Czech Republic enjoys.

Foreign trade, now also liberalised, has been able to withstand external shocks like the collapse of the USSR and the former COMECON, the economic mutual assistance organisation of the communist bloc. Imports and exports are growing, over 60 per cent of the Czech Republic's foreign trade is with advanced economic countries. The legal framework necessary for the market economy, a functioning banking sector and a capital market were created and a complex tax reform introduced in record time, with the result that the Czech Republic is now attractive to foreign investors, Klaus said.

Klaus announced that the government intended to lower income taxes next year from 45 to 42 per cent.

The trade fair will continue till Sept. 21. Almost 3,400 companies from 32 countries are represented.

Reports on 1994 Budget

LD1609123393 Prague CTK in English 1114 GMT 16 Sep 93

[Text] Prague, Sept 16 (CTK)—At its September 15 meeting in Zidlochovice, South Moravia, the Czech Government approved the 1994 state budget under the condition that all minor details be worked out before the next government session, Czech Premier Vaclav Klaus announced at a press conference today.

These minor details will not result in shifting around millions, he added.

The government feels the main pillar of the 1994 state budget is that the budget's share in the gross domestic product (GDP) will be lowered from this year's 45 per cent to 43.7 per cent, Klaus said.

Another important principle is a balanced state budget which, according to Klaus, is a prerequisite for healthy economic development, he pointed out.

The government estimates that the growth of the real GDP in 1994 will be two to three per cent. It also anticipates a rate of inflation between eight and ten per cent. This means that the government expects a growth in the nominal GDP by approximately 10-13 per cent for next year.

Zieleniec Views Foreign Policy, ODS Issues

AU1509202093 Prague RUDE PRAVO in Czech 9 Sep 93 pp 1, 9

[Interview with Foreign Minister Josef Zieleniec by Robert Dengler in Prague on 3 September: "Czech-FRG Relations Are Also a Domestic Political Issue in Germany"]

[Text] [Dengler] Prime Minister Klaus told us that intense negotiations are taking place at a lower level on compensation for the Czechs, or rather, on a humanitarian operation by the FRG. Who is conducting them?

[Zieleniec] Talks are being held. These involve a discussion on a so-called humanitarian gesture by the German side. They are being held at the level of experts. These things always take a long time.

[Dengler] Are only state bodies involved in the talks, or have those whom the gesture concerns also been invited to join in?

[Zieleniec] No, the Foreign Ministries are holding the talks.

[Dengler] Does this involve educational, social, and other activity? Could you be more specific?

[Zieleniec] I think it is premature. In international negotiations it is always better to leave room for bargaining, so this will be discussed when an agreement is reached.

[Dengler] When could it be reached?

[Zieleniec] Relations between the Czech Republic and the FRG are not only a domestic political issue in our country, they are also a domestic political issue in Germany. I do not think we should become embroiled in speculation on when an agreement will be reached.

[Dengler] The Civic Democratic Party [ODS] is now hesitant about forming a coalition commission to negotiate with the Sudeten Germans. However, according to the parliamentary Foreign Committee chairman, Jiri Payne, the ODS drafted its own optimum solution to the Sudeten German issue in the summer. Which one?

[Zieleniec] You will have to ask Chairman Payne.

[Dengler] What kind of solution is it?

[Zieleniec] I do not know. You are quoting something I do not know of. I have really not heard the word optimum in this context. So, you will have to ask my colleague Mr. Payne.

[Dengler] Did you consult President Havel on the outcome of his summer reflections on the development of relations with Germany?

[Zieleniec] I meet with the president regularly and we discuss foreign policy issues. I do not know whether they are the outcome of his summer reflections, but, after his vacation, I had the opportunity to have a long discussion with the president on foreign policy. It is impossible to discuss it and not be aware of this aspect.

[Dengler] If it is said that Helmut Kohl has not changed his point of view on the Sudeten issue, this could mean that certain pressure is still being exerted on the Czech side. The Christian Social Union, as the patron of the Sudeten Germans, is the coalition partner of the Christian Democratic Union. Moreover, it is under an electoral threat in Bavaria and will need the votes of all Sudeten Germans. Which of Kohl's opinions is relevant to you?

[Zieleniec] We must realize and understand that the Czech-German issue also has a significant domestic political dimension in Germany itself. On the other hand, Chancellor Kohl represents the Federal Republic, that is, a state that has signed a specific treaty with us, a state that cooperates intensely with us and is pushing for our incorporation into the European integrative structures, and a state whose leading representatives are sympathetic toward us. I think the chancellor's statement can be interpreted in this way.

[Dengler] I note that your material for the government session literally says, among other things, that the SKS [Sudeten German Landsmannschaft] is a marginal organization, but that, "on the other hand, its influence may increase. This is associated with the upsurge in radical right-wing sentiments." And that "the Federal Government is not too concerned about the SKS' demands; it keeps these issues open. However, it keeps them in reserve not only for domestic political purposes, but also as a means of exerting possible bargaining pressure in inter-state negotiations."

[Zieleniec] I will not comment on material that you have not received from us. Let us discuss the documents published officially by the Ministry. I do not know if you are quoting correctly. I think not. A great deal of discussion material is drawn up at the Ministry that deliberately sets out the various aspects of issues and serves to ensure that the issue is polarized for discussion and, thus, that an official point of view—an official policy—is reached. If a journalist manages somehow or other to get hold of such discussion material, he selects sentences or paragraphs from it—and in foreign policy it is all the more delicate if he thus makes public extracts from the discussion materials as if they were binding—and this simply does not serve the state's interests. Therefore, I am not happy that you are taking these issues out of context and are writing about and commenting on them, although this is—of course—your right. So, I will not discuss this with you.

[Dengler] Do you think there is a connection between the Sudeten German issue and the negotiations on the readmission agreement?

[Zieleniec] As far as I am aware, definitely not.

[Dengler] The government behaves amiably toward the FRG, but it is skeptical about the Euroregions and points to the risk that our local bodies may exceed their authority. If this is really the case, is the government drawing the conclusions?

[Zieleniec] Skeptical about what? Certainly not about cross-border cooperation. On the contrary, this is an element of our policy toward our neighbors, including Germany. However, this issue has another dimension. Our state is just being formed, and it is important that the border areas do not turn their backs on the heart of the Republic, that there are not more ties outside than inside, and that institutional structures are not created, which—in an incomplete state administration and incomplete self-administration—would be more established in a region exceeding the borders than within the state itself. Or, we are skeptical about some of the extreme manifestations in the organization of some of the Euroregions. I think there is a way. Cooperation is now being planned in the Sumava region and it seems that a suitable model has been found that will emphasize specific cooperation in key areas, for instance, in transportation, communications, and the environment. There is a point to this, but not in the convening of assemblies or in the election of presidents of regions and so on.

[Dengler] What is the situation with regard to the Republic's campaign to become a non-permanent member of the UN Security Council?

[Zieleniec] It is a foreign-policy candy. It is rather like a regular sports competition involving many states. It is important to us, first and foremost, because we want to present our republic on a wider forum and to acquaint even distant countries of our system of values. Last, but not least, this kind of influence means we can make others far more aware of our problems. And, because there is always something for something in foreign policy, this is significant for our foreign policy. The UN General Assembly is now under preparation, and I think our republic has a chance. However, if we do not become a member of the Security Council, it will not be a defeat.

[Dengler] I heard that Pakistan, an influential member of the group of Islamic countries, which is prepared to support our candidacy, waited in vain for a visit from you within the framework of your recent tour of Asia, so—apparently—it is not going to exercise its influence in this issue.

[Zieleniec] That is, of course, speculation. It is possible to speculate about anything and it goes without saying that it is impossible to take in all the countries on a tour. I think everyone realizes this. The same applies to us; we play host to foreign visitors. I think you are really interpreting this incorrectly.

[Dengler] There is an obvious parliamentary consensus on our entry into NATO. Czech Republic representatives are now expressing uncertainty about the direction in which NATO—or rather, the possibilities for Europe's collective security—is heading. At the same time, some politicians, for example, from the Christian Democratic Party, are urging negotiations on our rapid incorporation into NATO. What is your view?

[Zieleniec] Our entry into NATO is certainly a longer-term prospect. It is a two-sided process, which cannot be reduced to a single signature on a single agreement; it is a matter of building mutual confidence. The Alliance contains an incredibly important undertaking: In the final analysis, it means that, under certain circumstances, the citizens of one state will take up arms and will go off to fight—and, as the case may be, to die—for the citizens of another state. This means that all the contracting parties must realize the extent to which their interests and values are identical or similar. They must be aware of this in case—by chance—this undertaking draws a party into a conflict into which it would it would never want to enter. This is a far more serious undertaking than economic integration. Therefore, it is impossible to talk about joining NATO; I would rather talk about a process that will one day lead to us becoming, for example, part of the North Atlantic Alliance. This is how I understand the stipulations contained in our election program, the election program of the coalition parties, and the government's policy statement. It is more the orientation of our foreign policy than the requirement of the day. What you are hearing in Poland or Hungary has more to do with the polarization of the political scene in the preelection period than a fundamental change in development. A year after the elections we steered our foreign policy ship in a particular direction and there is no reason why we should analyze this issue every day at various meetings and in the press.

[Dengler] Poland is now talking about an alternative to NATO in Central and Eastern Europe. Our government rejects this. Why?

[Zieleniec] This is not our policy. [Polish] Prime Minister Suchocka's proposal is not new; [Polish] President Walesa has already spoken about a "NATO-2." Perhaps this is a topical issue for Poland, which is in the immediate vicinity of the troubled region of the former Soviet Union. It is not our way of thinking. I personally do not think it is even a realistic point of view in the countries of Central Europe.

[Dengler] Are you in favor of voting rights for emigres?

[Zieleniec] I would differentiate here. I do not think it is appropriate to grant Czech citizens residing permanently abroad the right to vote in local elections. It is nonsense for them to decide on issues that have absolutely nothing to do with them—for example, on the construction of a water supply system or a road in a community. On the other hand, it is not—I think—out of the question for them to air their views in the elections to one of the two national representative bodies, for instance, to the Senate.

[Dengler] In person or by a postal ballot?

[Zieleniec] These are technical details about which RUDE PRAVO may be preoccupied, but we are not yet concerned about them.

[Dengler] Meanwhile, until last week, your chairman was quite opposed to special coalition meetings on foreign policy. You had publicly expressed your agreement with such talks. Did you lose this dispute at first, and have you now won it?

[Zieleniec] We did not discuss this in principle; it is not a topic of major discussion within the party, but is more a matter of the chairman's stance regarding a meeting of the coalition Four and the issues arising from it. I think such talks are acceptable to the ODS. Of course, it is possible to discuss the level at which they should take place, where to begin... You know, there is now a whole host of other issues; Church property is being dealt with and the territorial-administrative arrangement is being discussed. These are the priorities.

[Dengler] Is the ODS in debt? An official from the ODS' central office referred in the spring to an alleged debt of 53 million korunas. Is this true?

[Zieleniec] I am not directly responsible for the party's economic management, nevertheless, I know that the ODS' financial situation is not one in which we would have a major surplus. We probably have some debts. The ODS has been the subject of constant invectives in connection with its so-called "links with liquid capital and its strange method of financing." Naturally, nothing has ever been proven. I believe that nothing is going on and that we are observing the law. Your reference to debts at least illustrates that all the talk about our finances, about the huge resources we have at our disposal, are simply not true.

[Dengler] Massive sponsorship for a political party could be regarded as an expression of the link between political and economic power and as an expression of mutual dependence. Do you agree with this?

[Zieleniec] Look at the contradictory situation we are in. On the one hand, you have asked me about something that is already publicly known—it must be if RUDE PRAVO knows about it—which means that the ODS is a poor party. On the other hand, you refer to the massive utilization of sponsoring. I do not know if the word massive is appropriate here, but, in any case, the issue of sponsors is normal for all political parties. I think that in this matter the ODS does not only adhere to the letter of the law, it is also guided by the customs that prevail on our political scene. Apropos links with the entrepreneurial sphere and the "dangers" arising from this, I say: Each party has an ideological basis, an ethos. Just as social democracy is, in view of its orientation, naturally closer to the trade union organizations and their centers—and also to the unions' great wealth—our party, on the other hand, stressing its responsibility for itself, the spirit of enterprise, and free enterprise, is closer to the entrepreneurs who have associated themselves with the functioning of a free market. This is natural, and all the parties throughout the world find themselves in such a situation. I think that if the law is obeyed, this does not present a threat to democracy or to the stability of the political system.

[Dengler] Your party does not only communicate with the entrepreneurial sphere on a general level, it also asserts its interests in parliament.

[Zieleniec] It asserts them the way it asserts its election program, just as the social democrats assert the interests of the trade unions.

[Dengler] Of course, the government considers and approves specific privatization projects and thus appeals, not to the entrepreneurial sphere, but to specific entrepreneurs who—at the same time—are the sponsors, for example, of political activities.

[Zieleniec] I cannot comment on this. The responsibilities of each minister are defined by the law and he is accountable to parliament for them. It is up to him, it is on his conscience, to act in the manner expected of him within his mandate and oath. That is all.

[Dengler] Officially, the ODS is not casting doubt on the Senate. On the other hand, I know that in North Moravia—for instance—Miroslav Macek has ascertained the view held by ODS members about the date of the elections—whether they should be held at a different time from the local elections. What conclusion has been reached within the ODS as a whole?

[Zieleniec] The issue of the elections—for example, whether the local elections should be held at the same time as the elections to the Senate—will begin to be discussed during the upcoming political season. There are pros and cons. It is important that the local elections concentrate on the matter-of-fact issues regarding a specific place and that, from this point of view, the nationwide dimension of the elections is secondary. This is like saying these elections should not be held along with the elections to the Senate, which will necessarily be accompanied by a political campaign about nationwide issues. I attach great importance to the local elections, not only from the point of view of stability in the individual communities, but also from the point of view of the fact that a political habit is being formed in the country and it is important for these elections to turn out the way we would wish for the future. This means parliamentary elections on major issues and local elections on local issues, elections where we will record successes and failures in the communities. On the other hand, more elections within the space of a year—and this is well known from abroad—reduces the public's interest in political life and participation in the elections. There are also other reasons for and against. However, I do not think that in this discussion the ODS will be unequivocally against the other parties or the coalition against the opposition.

[Dengler] What do you say to the idea of amending the Constitution and creating the second chamber as a council with parity representation for the future regions?

[Zieleniec] The ODS has not discussed this.

[Dengler] The ODS Executive Council has marked out a route for local coalitions. Has an ODS body been, or will one be, empowered with the authority to ban a specific coalition?

[Zieleniec] First of all, debates within the Executive Council are more like input discussions than binding decisions. They provide the stimulus for something to begin being discussed in the party. There will be a congress, which may adopt a point of view on this.

[Dengler] What is your view on the direct election of mayors?

[Zieleniec] Even here we could refine this question. There are villages with 40 inhabitants where it is very difficult to establish a community council, which—according to the law—has to have at least seven members. There are not enough citizens who could, or would want to, become involved in local politics. The mayor could be elected directly and an assembly of citizens could assume the function of the council. I favor the current system for larger communities.

[Dengler] You hold a very demanding post and, as you stated recently, you do not have time for the ODS membership. At the same time, you claim that lobbies, perhaps even factions—that is, groups that cultivate, among other things, the delegates to the congress—are beginning to be formed in the maturing party. You yourself will most likely be a candidate at the ODS congress. Are you not, by chance, a political suicide?

[Zieleniec] Suicide is a sin and I do not consider it to be a correct mode of behavior. I beg leave to differ, I did not say that I have no time for work among ODS members. I said that I do not devote as much time as I would like to political work within the party in general. I have simply devoted myself to the ideological aspect, to the functioning of the party, and to preparing the election program. However, I have always found the time to meet with members and I find it to this day.

[Dengler] What do you say to the view that a campaign of succession is underway within the ODS, at least for the posts of deputy chairmen?

[Zieleniec] RUDE PRAVO is always the best informed; however, I know nothing about this.

Kocarnik Makes Positive Assessment of Economy

LD1609142093 Prague CTK in English 1357 GMT 16 Sep 93

[Text] Prague, Sept 16 (CTK)—The breakup of the Czechoslovak Federation has had a larger effect on the Czech economy than the government expected, but it is not dramatic, said Finance Minister Ivan Kocarnik today.

Kocarnik noted that the economy has been affected by continuing recession in the advanced economies, as well as by the division of the former federation's currency and the introduction of privatisation. The economy's transformation is developing rapidly and the private sector is unequivocally showing signs of positive growth. The minister also said that reform of the tax system affected the results.

In view of these factors, Kocarnik said the government considered the economic results positive. The country's gross domestic product (GDP) fell 0.5 per cent and both its payments and budget balance remained positive. Unemployment decreased to 2.6 per cent, prices have risen by 12 per cent and its currency reserves increased sharply.

The government is worried by two tendencies. Wages are increasing faster than is labour productivity. This was why the government resorted to wage regulation earlier this year, to prevent a belated increase in the rate of inflation and lowering of competitiveness of private enterprises, Kocarnik pointed out.

Secondly, numerous firms are trying to resist the economic transformation and adapting to new conditions. Some firms are calling for a devaluation as the most viable way out of their problems but the government believes this is dangerous and completely unnecessary in view of the results, Kocarnik said.

The government has decided on three goals in its finance and budgetary policy. It intends to carry out tax reform without serious problems and without going into debt to carry through the first stage of local budget reform and to keep the macroeconomic environment stable with a balanced budget, continued Kocarnik.

The minister added that during its debate over the economic results, the government also discussed the forecasts for the remainder of the year. Kocarnik concluded that it is fair to assume that the public purse will end up with a moderate surplus, which is unquestionably a very positive sign of the current stage of the Czech economy's transformation.

Government Approves 1994 State Budget

LD1609152993 Prague CTK in English 1436 GMT 16 Sep 93

[Text] Prague, Sept 16 (CTK)—At its September 15 meeting in Zidlochovice, south Moravia, the Czech Government approved the 1994 state budget under the condition that all minor details be worked out before the next government session, Czech Premier vaclav Klaus announced at a press conference today. These minor details would not result in shifting around millions, however.

The government feels the main pillar of the 1994 state budget is that the budget's share in the gross domestic product (GDP) will be lowered from this year's 45 per cent to 43.7 per cent. Another important principle is a balanced state budget which, according to Klaus, is a prerequisite for healthy economic development.

The government estimates that the growth of the real GDP in 1994 will be two to three per cent. It also anticipates a rate of inflation between eight and ten per cent. This means that the government expects a growth in the nominal GDP by approximately 10-13 per cent for next year.

The budget would be placing more emphasis on certain departments for a short period, added the premier. These include increased funds for the police (by 17.7 per cent) and for schools (up 15 per cent). These two areas were experiencing the most pressing needs, according to him.

The national property fund will be sharing in state debts left over from the last regime by covering interest payments on debts due in 1994 in the amount of 18.8 billion crowns.

Klaus said that it was possible for agriculture to expect the same amount of subsidies in 1994 that it received this year. As far as the market regulation fund was concerned, it had been allocated a one-time amount of five billion crowns. Klaus added that the government was prepared to provide the fund with subsidization, but not such an amount.

The premier had good news for taxpayers, however. Next year taxes will be decreased for legal persons from 45 per cent to 42 per cent and from 47 per cent to 44 per cent for physical persons. The government is also planning on an increase in the annual untaxed limit of physical persons' income by 1200 crowns. That means that this year's untaxed income of up to 20,400 crowns will increase to 21,600 crowns next year.

The amount that families can write off from their taxes for minor children and students will also go up by 1800 crowns for the year. The total annual limit for such write-offs is 360,000 crowns. The government will also allow citizens to write off 50 per cent more of their transportation expenses, from 2400 crowns a year to 3600 crowns in 1994.

LSU Formed as Political Party; Trnka Re-Elected

LD1709080793 Prague CTK in English 0643 GMT 17 Sep 93

[Text] Prague, Sept 17 (CTK)—The congress of the Liberal Social Union (LSU), held on Thursday in Prague, decided on the union's transformation into a political party with individual membership.

Frantisek Trnka was re-elected the LSU chairman. 47 delegates voted for him, 5 against him.

The congress approved a new LSU programme and an amendment to the status as proposed by the LSU leadership.

At a press conference following the congress, Trnka said, we have overcome the period of mutual spitefullness within the LSU, adding that now it was necessary to build up a new type of the party's structure.

The congress took into account Trnka's signing a complaint lodged with the Constitutional Court, concerning the law on the illegality of the communist regime and on resistance against it. In it Trnka expressed his conviction that the law created conditions for the division of the society into citizens of the first-and second rank. It is not true that all communists were of the same sort, he said.

On September 15, 41 parliamentary deputies from opposition parties lodged the complaint with the Constitutional Court.

The LSU comprises the Czechoslovak Socialist Party (CSS), the Agrarian Party (ZS), the Farmers' Movement and the Green Party. It has 13 deputies in the 200-seat Czech parliament.

Parties Reportedly Failing To Account for Income

AU1609131593 Prague CTK in English 1235 GMT 14 Sep 93

[Text] Prague Sep 14 (CTK)—Thirty-five out of 70 Czech political parties did not abide by the law and did not submit a report on their accounts in 1993, Czech political weekly RESPEKT writes today.

The 1991 Law on Political Parties, still in force, does not impose any punishment if it is violated. Another error of the law is that the auditors can only check whether the figures provided were correctly added up, states the paper.

The law does not distinguish between the notions gift and contribution. In case of gift over 10,000 Czech crowns (300 USD), the recipient is obliged to declare the donor, while in case of contribution he is not. As a result, the parties call all the obtained money a contribution.

This summer, parliamentarians have drafted an amendment to the law which would do away with this. The government, in turn, prepared its own version.

The parliamentarians' version proposes that gifts and contributions from 2,000 (650 USD) to 1,000,000 Czech crowns (330,000 USD) be tax-exempt. The government is opposed to this as it would imply a change in the income tax law. Gifts and contributions can be deducted only if they are determined for publicly useful and non-political ends such as science, education, health care and charity. According to the government, funding of political parties should not be included in this item.

The law in effect stipulates that those parties who got more than two percent of the votes can claim a state contribution which is paid during the whole period between the elections. Fifteen crowns (50 U.S. cents) are paid to the parties for each vote received. This year, they were paid 70 million crowns (2,300 million USD).

The proponents of the amendment think that only those parties who would obtain more than 5 percent of the votes and would be, therefore, represented in the parliament be entitled to the allowance.

Both the government and the deputies agree on one point: The law must exactly establish the punishment for the parties that present false data in their accounting or submit no report.

The deputies propose that in such case parliament could take the state contribution from the culprit, impose a fine, freeze party assets and possibly suspend the party's activity.

The government is not against this, but points to the fact that it is not clear who and can decide on fines and property freezes.

The parties will have to announce the name of their patrons, donors of gifts and contributions over 10,000 crowns. This way, the obstinate silence on the sponsors should be eliminated.

The weekly provides an example: The other day, the Civic Democratic Alliance (ODA) admitted to RESPEKT having received in December 1992 20,000 USD from a tobacco manufacturer which expressed this way its support of our attempt to eliminate the tobacco monopoly. ODA refused, however, to give the name of the company because we cannot publish any information without its explicit consent.

After a compromise formula between the parliamentary and government versions is found, the amendment to the law is to be put forward in the parliament, probably in October or November, concludes RESPEKT.

Meciar Discusses Chances of Joining NATO

AU1609195393 Bratislava PRAVDA in Slovak 11 Sep 93 p 2

[TA SR report: "Why We Want To Join NATO"]

[Text] Kosice—Yesterday, speaking on the occasion of changing the name of the Slovak National Uprising Air Force Academy in Kosice to the General M.R. Stefanik Air Force Academy, the beginning of the new school year, and the 20th anniversary of the school, Prime Minister Vladimir Meciar said: "By renaming the school, we uphold the heritage of the French Army general, aviator, scientist, and politician, Milan Rastislav Stefanik, who deserves, together with T.G. Masaryk, considerable credit for the rise of the Czechoslovak Republic and the improvement of the status of Slovakia and Slovaks after 1918."

Slovak Defense Minister Imrich Andrejcak and other high-ranking officials of the Slovak Army, as well as representatives of the main Air Force academies from France, Hungary, Poland, Austria, the FRG, the United States, and Great Britain, were also present at the festive act.

"Slovakia neither feels threatened nor does it threaten anybody," Meciar also said. Nevertheless, according to him, the developments in Europe, which are very complex, must be taken into consideration. Therefore the building up the Army is one of the primary tasks of the state. At the same time, the state seeks broader cooperation in the European context. "It is our goal, program, and intention, to become a part of NATO, which currently is the only efficiently operating defense alliance in Europe," he said, and added "the problem is for our Army to join NATO as a partner able to meet the demanding tasks of this military alliance."

"The decision on Slovakia joining NATO is conditioned politically, and not only by the situation within the Alliance, in which a new structure of Europe is being analyzed. Here, too, an internal political response must be formulated—whether we would manage to guarantee political stability and be a stable partner," Meciar stated at a lobby briefing during his sojourn at the General M.R. Stefanik Air Force Academy. According to him, "if there is constant unrest and unsatisfied ambitions of former members of the government prevail over the interests of the state, we can hardly present ourselves as a country ready to join NATO."

Further, Meciar emphasized that, in addition to the security effect, joining this military alliance also has a technical aspect for Slovakia. "The organizational preparation of the Army, equipment, and command structures must be different from that we have implemented so far. Entire communication systems would have to be replaced," he said.

As the third important aspect of Slovakia's joining NATO, Meciar described the fact that the republic is a manufacturer of heavy technology. "Therefore, we cannot understand why new production should be launched in the Czech Republic, while manufacture has been developed here, has a high technical standard, and can be running at full speed within a week or two. Therefore, we offered our production capacity to NATO, if the alliance is interested in their effective utilization. The Slovak Republic will still undertake several diplomatic and political activities to settle this issue. The system of criteria, according to which we are assessed, is clear to us now, what our weaknesses are and what our strengths, and we will act accordingly so we could guarantee that we will be an asset for NATO rather than a liability," the prime minister added.

SDL Opposes Church Property Restitution Bill

AU1609154793 Prague CTK in English 1646 GMT 14 Sep 93

[Text] Bratislava Sep 14 (CTK)—Democratic Left Party (SDL) Deputy Chairman Milan Ftacnik told journalists today that the SDL could not support the bill on restitution of property to churches and religious societies submitted by the government.

He said the proposed shift of the legal limit for restitution claims to before 1948 was unjustifiable and unacceptable and set a dangerous precedence. He said it was impossible to foresee the impact the law on church property restitution could have without knowing the amount of this property. Another reservation the SDL has towards the bill is that the proposal about the return of lands, forests and vineyards to the church is disputable as an economic analysis is missing, Ftacnik stressed.

He directed attention to the fact that the Slovak Government has not yet fulfilled a parliament resolution under which it should have submitted a plan to secure funding of education till the end of the year.

He said that Deputy Chairman Roman Kovac, who has been charged with managing the Education Ministry after the resignation of Matus Kucera, did not give details on how the ministry intended to handle a 453 million Slovak crown (some 15 million USD) deficit in the education budget. The government is making fools of teachers, Ftacnik noted.

SDL Chairman Peter Weiss denied a statement that representatives of the governing Movement For a Democratic Slovakia (HZDS) and of the SDL, which is the second strongest party in Slovakia, had definitively agreed to support the government. The only thing I can say is that the SDL accepted a HZDS offer of talks as an opposition party and that it left the talks as such, Weiss said.

Referring to early parliamentary elections in Slovakia proposed by the SDL in April, Weiss said that it was often heard that new elections would bring to a halt certain processes in Slovakia. Quite a long time has elapsed since our proposal and the situation has become even more critical. We could have had new elections behind us now, Weiss added.

Unemployment Rate Reaches 13.53 Percent

AU1609174093 Bratislava NARODNA OBRODA in Slovak 15 Sep 93 pp 1, 2

[Report by R. Delincak: "...Present Policy Is Unsuitable!"]

[Excerpts] [Passage omitted] District labor offices in the Slovak Republic are short of money. Instead of the 5.7 billion korunas that were at their disposal last year, this year they have only 3 billion Slovak korunas. At the same time, the fact needs to be considered that the number of unemployed is higher this year than it was last year and that it will further increase. [passage omitted]

As of 1 September 1993, labor offices in the Slovak Republic registered 344,767 job seekers, which translates into an unemployment rate of 13.53 percent. The former East Slovak region is the worst off with 114,204 job seekers, which represents an unemployment rate of 16.16 percent. It is followed by the former West Slovak region with 111,746 job seekers, which represents an unemployment rate of 14.53 percent. Central Slovakia is (for the time being) relatively well off. Labor offices there have on record 104,950 job applicants, which represents an unemployment rate of 13.58 percent. [passage omitted]

The current unemployment policy was subjected to sharp criticism at a recent consultative meeting of directors of district labor offices in Martin. The current policy supposedly supports shirkers and speculators but discriminates against honest and industrious people. [passage omitted]

The level of unemployment benefits, compared with minimum wages, also came under fire. The difference between the income of people on minimum wages and the unemployed collecting benefits is marginal, which is not motivating. [passage omitted]

Jan Sihelsky, director of the district labor office in Dunajska Streda, which has the second highest unemployment in western Slovakia (19.43 percent) and has almost caught up with Kysuce (19.70 percent), said that imperfect legislation makes it possible to misuse unemployment benefits. Of the 5,600 housewives in the district, 3,300 are of working age and their interest is not in finding work but in gaining unemployment benefits or, at the very least, to make the state pay them the 301 Slovak korunas a month in health and social security insurance. Well, people speculate wherever they can.

Generally, unemployment is expected to increase sharply in the near future. [passage omitted] Slovak workers in the Ostrava area [in the Czech Republic] are sending signals about [planned] mass lay-offs there. Although Slovakia has officially asked the Czech Republic not to lay off our people right now, this request is not likely to be met. They would have to do it at the expense of their own people, which would be a miracle, and miracles are rare these days.

On paper, the participants in the Martin meeting distributed the remaining korunas from the ministry's budget. The remaining sum is small, 220 million Slovak korunas, desperately small given the expected development. But perhaps this sum is large enough for people to realize that work is a commodity that has its price. The directors of district labor offices exchanged experiences and said what needs to be done. Many of them also let the parliamentary deputies know that it is time for them to do their part—to amend existing legislation to eliminate the loopholes in it, and thereby prevent the squandering of state budget funds.

Reinforcement of Defense Against Hungary Urged

AU1709091093 Bratislava REPUBLIKA in Slovak 13 Sep 93 p 4

[Article by Alexander Docolomansky: "The Cards Have Been Laid on the Table: Should the Worst Come to Worst"]

[Text] The term "it is said in political circles" has been appearing in the press frequently of late. I think this term no longer is sufficient. It is necessary, at long last, to speak clearly about the situation in which we find ourselves.

It seems that the cards have been laid on the table. Lord, how history repeats itself! In the ninth month of the independent Slovak Republic's existence, the deputy prime minister deems it necessary clearly to emphasize that we must not permit our territorial integrity to be violated from within or from without. The prime minister repeatedly qualifies statements by the leaders of Hungarian parties in Slovakia as lies and as going beyond the limits of acceptability of international norms of minority rights. The Hungarian parties openly threaten the government and parliament (self-evidently, a copy is always sent abroad) with unforeseeable consequences if we do not meet the sharply accelerating spiral of their demands.

Government statements coming from Budapest are, for the time being, mostly soothing, if we leave aside the Hungarian Republic's attitude toward our admission into the Council of Europe. For the time being. The events of Kenderes, during Horthy's second burial, send the opposite message.

The present international political situation seems to be more favorably disposed toward us. Apart from the tension in the south, which exists independently of our efforts, we live in friendship with all neighboring states. Hungary, on the other hand, is spreading animosity in all directions. A possible change of the Hungarian-Slovak border would be an extremely terrifying precedent for all its other neighbors.

There exist European conventions on observance of the set troop numbers. We have already discovered that, after frequent foreign visits, no conversion of our arms industry has taken place. On 3 September REPUBLIKA published a photograph of a Slovak major explaining, with a schoolmasterly expression on his face, the liquidation of our weapons to some foreign military inspection team. Somehow, one never reads anything about our inspectors. At the same time we learned about Hungarian purchases of the latest electronics, about the Russian debt to Hungary being repaid with the latest aircraft technology, and about trains taking to Hungary the equipment of the Army of the former German Democratic Republic, which surely did not consist of toys.

Our apprehensive citizen is logically asking whether, if worst come to worst, the dozens of liquidated armored personnel carriers, tanks, and artillery systems would not be desperately missing in some hypothetical situation that could only be handled by sufficient troop resistance.

Let us imagine, without trying to be a Cassandra or scare-monger, the worst case scenario. The Slovak-Hungarian border is 608 kilometers long. Only with Romania does Hungary have a longer border (which it is not prepared to guarantee). The width of Slovak territory, which measures 49,014 square kilometers, ranges between 195 and 76 kilometers. In other words, in the south-north direction it can be crossed in a few minutes by air. A successful ground offensive would require a maximum of three days to accomplish the same. The vital centers of our republic are in the southern part of the state, in the Vah, Nitra, and Hron valleys. Out territory consists about 45 percent of lowlands, with mountains accounting for the rest. About 45 percent of the mountainous area consists of low hills. It is evident to everyone with even only basic military education that our defense is vitally dependent on strong and mobile ground forces, to a lesser extent on special mountain units, but, most important of all, on artillery troops and highly efficient air defense troops. In the event of a surprise attack from the south, a mobilization of sorts would be possible only in central and northern Slovakia, and normal life for the republic would be possible only under the condition of an effective air defense of vital centers and communications. From the aforesaid transpires the need to ward off a possible strike right at the border. It is necessary to recall the very reasonable proposal of Engineer Klepac from the Christian Social Union to establish a home guard. It would be easy to mobilize, is spread over the entire territory, and, according to Swiss experience, also the cheapest.

A weapon in the aggressor's hands belongs to the stage of primitivism (atavizmus). But that was believed also by the peaceful citizens of Dubrovnik and Sarajevo. This should be realized, first and foremost, by those who are throwing the gauntlet to the government of a sovereign state and who have until now been moving with impunity among us. It is easy to kindle a fire, but very difficult to extinguish it.

Finance Minister Views Bank Fraud, Loans

AU1609174293 Budapest MAGYAR HIRLAP in Hungarian 16 Sep 93 p 10

[Interview with Finance Minister Ivan Szabo by Pal Emod; place and date not given: "Ivan Szabo: The Risk Is Big and the Banks Have Little Money—The GDP Will Not Decrease Anymore This Year"]

[Text] Deliberate timing is out of the question, said Ivan Szabo, answering the question about the bank corruption cases. According to Szabo, it is rumored at every village meeting that it is only possible to get a loan for some return service in exchange. Szabo told us that the IMF agreement means nearly $1.5 billion credit for Hungary, from which $600 million can be spent on bank consolidation.

[Emod] Why did you plan to announce the 20 billion forints [Ft] bank corruption cases now?

[Szabo] Timing is out of the question. On the morning radio program, Dezso Pinter asked a direct question and I could not say that I was not aware of corruption cases. Especially because every week, at an open forum of some small town, people complain about rumors that it is only possible to get loans in exchange for return service. Therefore, we cannot remain silent in case people think that we do not know anything and the police are sleeping.

[Emod] Does this mean that you are also using the power of publicity to try to prevent such corruption?

[Szabo] We are trying to create a general climate in which the defrauders are at least afraid.

[Emod] This in itself is probably not enough. The vast majority of bankers are probably not among the defrauders. On the other hand, people who took billions of forints from for example the Ybl Bank are still at large. Why?

[Szabo] Because the administration of justice is very slow. I note that the prosecution, contrary to general European practice, does not come under the government's supervision and cannot even be prodded.

[Emod] Did you try to use your statement to make society's pressure speed up the investigation of bank corruption cases?

[Szabo] Yes. As far as I can see, even people in banking circles do not know where an investigation is conducted and where it is not. Therefore, people who granted dubious loans against bribes did not think they were in danger. The emerging pressure can have two effects: They will either ask for such large bribes that people will not give them, or they will give up corruption because of fear of being discovered.

[Emod] On the other hand, the bankers said that this statement might shake confidence in the banks. Does a finance minister also have to consider this?

[Szabo] Two newspapers wrote about bankers' worries, but large sums of money were not taken out. I must add that, in connection with the forint devaluations we can register continuous speculative transactions. On the days preceding government sessions, generally $70 million to $100 million is bought by banks and enterprises, in other words, damage to the national economy can be interpreted in many ways. In addition, forint deposits in banks are barely moving.

As a matter of fact, the fact that there is money available for bribes is one of the reasons for the corruption. We know that the source of this is the Ft300 billion of untaxed income, from which the state should receive Ft100 billion, using a 30 percent average tax rate. Therefore, if someone does not care for corruption, he should ask for receipts, otherwise he leaves the money in the "corruption fund"—purchasing goods without getting receipts. If we calculate this way, it is not the ominous Ft20 billion but the indicated Ft300 billion, or 30 percent of that, that is due to the state. It would be very difficult for people living on regular salaries to pay bribes.

[Emod] What effects will these corruption cases have on bank consolidation? Although it is in the banks' vital interest that this process ends as soon as possible, bank corruption cases will probably delay the settlement.

[Szabo] In my view they speed it up. The ability to grant loans will improve through capital accumulation, improved creditworthiness, and getting rid of bad debts. In other words, it will be easier to get loans because the risk the companies are stuck with from the bad debts that amount to many hundreds of billions, will be removed from the system and will not be necessary to grant illegal loans. Right now, there is a credit shortage because the risks are big and the banks have little money. The explanation is that the misery of the economy has crept into the banking sector. Capital accumulation will mean expanded supply, therefore, the possibilities of corruption will decrease.

[Emod] The government will not be able to implement the bank consolidation from its own resources. What is the situation with the $600 million loan from the World Bank for this purpose?

[Szabo] This cannot be viewed separately because the agreement with the World Bank depends on the IMF agreement. We can draw $100 million from the IMF every quarter until the end of 1994. The World Bank will release the $100 million that it is giving for the structural reorganization of industry. Finally, we have the already mentioned $600 million credit package form the World Bank which we can use for bank consolidation. If we also add the amounts that we can get from the European Bank for Reconstruction and Development [EBRD] then we are talking about $1.5 billion. At the same time, we agreed with the IMF that, after the first $100 million, we will only draw the rest if the incoming operative capital is less than the deficit of the current payment balance.

[Emod] At the moment the situation is not very promising because, if nothing changes, then the deficit of the payment balance can be $500 million to $1 billion by the end of the year. Is this the result of the Finance Ministry's calculations?

[Szabo] Since there is a 30 to 40 percent difference between the Ministry for Industry and Trade [IKM] prognosis and that of the Ministry for International Economic Relations [KGKM], I am not so pessimistic. Therefore, if the IKM's prognosis comes true then the deficit will not be as big as predicted by many people. The export under commission agreement is also in a controversial situation: The materials have come in but the prepared products have not gone out. After the expiration of the six-month customs permit for temporary imports we will find out the real situation.

[Emod] However, it is already clear that industrial exports have also decreased calculating on real value.

[Szabo] Industrial exports have indeed decreased by 8 percent in the first seven months while domestic sales increased by almost 1 percent. This can possibly mean that the products will later be exported.

[Emod] Is it possible that the exporters are waiting for a devaluation? It is not a secret that the forint might be devalued by another 3 to 7 percent by the end of the year.

[Szabo] Many of the exchange rate expectations are absurd because no one can seriously expect 10 to 15 to 20 percent devaluation. We have an incremental devaluation policy because the long-term harmful effects of devaluations are greater than the momentary advantages. Therefore I can only expect maintenance of the exchange rate.

[Emod] On the other hand, many people think that exports and the gross domestic product [GDP] will decrease without adequate export stimulation, although the government previously predicted growth for 1994. However, now we can speculate that a decline would fall within 0 to minus 3 percent.

[Szabo] Everyone in Western Europe thought that the recession would end in the first quarter. The Germans were out by 4 percent and only the British managed to show a tiny growth. Therefore, we cannot be surprised that Hungarian exports decreased by 30 percent, Polish exports by 25 percent, and Czech exports by 17 percent. When all of Europe is in trouble, this affects our situation because Hungary has an open economy.

[Emod] As the European market can only pick up slowly, has the government given up the idea that economic growth will begin during its mandate?

[Szabo] Not at all. In fact, in my view, the growth has already begun. In industrial output, we passed the nadir in December 1991 but agriculture and exports are not yet encouraging. Taking all this into consideration, I think that the GDP will not continue to decrease this year and will be around 0 percent.

IMF Endorses New Credit Line for Government

AU1609141893 Budapest MTI in English 2110 GMT 15 Sep 93

[Text] Budapest, 15 Sep (MTI)—The board of executive directors of the International Monetary Fund (IMF), accepting the obligations assumed in a letter of intent by the Hungarian Government, granted Hungary special drawing rights [SDR] 340 million ($470-500 million) stand-by credit line for the next 18 months.

The sum will be put at Hungary's disposal in quarterly instalments. The first tranche will become available early next week.

The main terms of the loan were agreed upon during Finance Minister Ivan Szabo's talks in Washington in May. In a subsequent letter of intent, Hungary assumed the obligation that the deficit of its general government budget, including the central budget and the social security budget, would not exceed 5.6 percent of its GDP next year.

Hungary concluded its last agreement with the IMF on a three-year loan for economic restructuring in 1991. In March 1992, however, the IMF suspended the payment of further tranches because Hungary failed to fulfil the terms of the agreement.

The new stand-by law can mainly be used for averting financial imbalances.

"The decision reflects that the IMF regards the planned economic policy scheme of the Hungarian Government and Parliament as realistic. It also gives a favourable signal to the international money markets on the evaluation of the Hungarian economy," Akos Cseres, Hungary's representative in the IMF, told MTI today.

MTI Reports Increases in Consumer Prices

AU1609144893 Budapest MTI in English 1213 GMT 15 Sep 93

[Text] Budapest, 15 Sep (MTI)—Consumer prices in Hungary jumped 1.8 percent in August, taking the 12-month inflation rate to 22.3 percent, up from 20.9 percent in July, Central Statistical Office (CSO) figures show.

The reason for the high monthly increase, this year's highest, was the rise in VAT [Value-Added Tax] from 6 percent to 10 percent on basic foodstuffs and the introduction of a 10 percent VAT on household electricity, although the effect of higher power charges will not be felt until September when monthly bills are paid.

The price of pork rose by 10 percent in August, well above the average monthly rise and the increase in VAT. Meat prices in general returned to previous levels following a six-month slump when oversupply dampened prices.

The price of sugar rose considerably for the second consecutive month, also adding 10 percent in August.

Within the average 12-month rate of 22.3 percent, the price of foodstuffs rose by 30 percent, bread by 44 percent, milk and dairy products by 39 percent and potatoes by 55 percent.

The price of alcohol and tobacco was up by 17 percent in the 12 months to August, clothing prices by 16.2 percent and consumer durables by 11.4 percent, the CSO report says.

Editorial on Demonstration by Agricultural Workers

AU1509191193 Budapest MAGYAR HIRLAP in Hungarian 15 Sep 93 p 7

[Editorial by Zoltan B. Kelemen: "The High Ball Remained in the Air"]

[Text] Only the masses were spectacular, but the demonstration of agricultural workers itself turned out to be quite moderate. The promised 20,000 people came and then departed silently, although there were people among them who also included a visit to the Budapest International Fair in their program. Among the journalists covering the event, each of them could set his camera and evaluate the number of demonstrators in accordance with his affiliations but, contrary to one or two peasant demonstrations, the demonstrators' number was not the issue at this event.

The petition submitted to the chairman of the Parliament did not contain much news either; it only tried to make the parliamentary deputies aware of the crisis in Hungarian agriculture. The petition mentioned the few points about which the agricultural representatives and government experts have been talking for almost two months. The demand is old: The income-creating capacity of the agricultural sector should be restored. Even if this does not work suddenly and the budget is unable to provide the 60-80 billion forints, or 200-400 billion forints as some people claim are necessary, the officials should at least come up with an acceptable agricultural program for a more promising future. So far, they have not come up with this. For quite some time, the issue has been no longer the demands expressed by the agricultural trade unions in the 5 +1 points; the issue is now the demand that the government decide, at long last, what kind of agriculture it really wants: One based on domestic production and private farms, or perhaps one concentrated on large-scale agricultural units and an export-oriented production? Or perhaps a combination of the two? It seems that these issues have been frozen since the agricultural program of 1991. Small modifications would have benefited that program. Instead, a bigger demonstration has now drawn the people's attention to the crisis of the entire agricultural sector. The agricultural minister, who diligently fulfills all his protocol obligations and personally opens every possible event, continues to refer to the "program of national revival" when he considers the export-oriented agricultural sector based on small farms as the guarantee for a happy future. One has to refer to something, even if much water has flown along the Danube since then, not to mention the milk spilled into the sewage pipes of Kossuth Square in Budapest. At the same time, the minister's administration state secretary promised the formulation of an agricultural program based on clear concepts by October this year. If the Agricultural Ministry had come up with such a program only a few months earlier, yesterday's demonstration could have been avoided. Perhaps the farmers would not even have asked why they had to wait so long.

No political bomb exploded either and, although they received the opportunity, the leading speakers of the parliamentary parties did not come out to meet the masses, and they failed to express their agricultural programs. The opposition parties did not hit the high ball to the ground, although each of them has already formulated its own concept in their preparation for the elections. They also used to have opinions. Perhaps they did not want to make a political issue from a professional issue, something that would really have been something dangerous and useless. This way, however, the peasants have not become wiser and they did not argue about the programs of various parties in the bus on their way home; instead, they perhaps took a small nap. Like others, who have been taking such a nap for the last three and one-half years.

Disagreement on Withdrawal of Last Russian Troops

LD1609205393 Polish Warsaw TV Polonia Network in Polish 1900 GMT 16 Sep 93

[Report by Krystyna Czubowna with recorded remarks by General Ostrowski, plenipotentiary of the Polish Government with unidentified correspondent; place and date not given]

[Text] [Czubowna] The Polish-Russian Mixed Commission for the Stay of Russian Forces in Poland has ceased to exist. Of 66,000 soldiers, only 24 remain as of today. Generals Ostrowski and Kovalov, plenipotentiaries of the Governments of Poland and Russia, in signing the appropriate accord, today fulfilled the final formalities. A ceremony at the Belweder Palace has been left until tomorrow [17 September], whereas the soldiers themselves will leave on Saturday morning.

[Correspondent] Today, the Russians handed over all the previously occupied garrisons. However, things did not pass without disagreement. At first it was intended to sign three accords, on compensation for Polish citizens, on the completion of the work of the mixed commission, and on the status of the Mission for the Transit of Russian Forces from Germany. The Polish side also proposed the appointment of a new mixed commission that would consider the claims still coming in regarding the Russian Army. These claims mainly relate to unpaid bills for electricity, gas, and municipal services. What total do these bills come to altogether?

[Ostrowski] On, this is, wait a moment, I have to look at my crib-sheet. [words indistinct] No, no, we have this. This is, no, listen. I am not capable of telling you now. It would be necessary to balance this out.

[Correspondent] Unofficially, there is talk of 3 billion zlotys. The Russians did not agree to a new commission. General Ostrowski fears that after the departure of the Russians, no one will want to talk with him on this subject, and retaliated by not signing the status of the transit mission. The matters in dispute are still to be decided tonight. The generals assured that the ceremony tomorrow will be a farewell between friends and without a shadow of conflict.

Suchocka Summarizes Results of Prime Ministership

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[Remarks by Polish Prime Minister Hanna Suchocka at 16 September news conference in Warsaw, and interview with Suchocka by Polish correspondents Jerzy Baczynski and Andrzej Jonas following news conference—recorded]

[Text] [Suchocka] Ladies and gentlemen, welcome to our last meeting before the elections. In three days time we will elect a new parliament. In keeping with the Constitution, I will tender my resignation to the president.

Because the period of my work as the prime minister and the activities of the government that I led is coming to an end, I would like to initially summarize our work. This is an appropriate moment to reflect on the state of the country. I asked for a report to be drawn. This report will be presented after it has been accepted. Today I will present its most important elements. This will not only be a summary of 14 months of my government's activities. This, to a large extent, will also be a summary of reforms that have been carried out in our country for the past four years. Usually, this would be a term in office of one government.

In Poland, the fourth government is changing. But also great changes have been taking place for those four years in the whole of the country. I recall one fact that is of great symbolic meaning. The last Russian soldier will leave Poland tomorrow on 17 September. From then on, for the first time in a long time, there will be no foreign army in Poland.

Most of us had a very optimistic vision of the future at the start of reforms four years ago. It seemed that together with freedom, all problems will disappear. However, problems were large: A declining economy, balance of foreign debt, queues, and rising prices. We wanted to change the country without any conflicts and in a just way, so that no one would feel forgotten or rejected. We had a vision of a well-organized and wealthy Poland. However, it turns out that the cost of reforms was very high. Also, the results of external shake-ups and the drastic fall in Eastern markets contributed to this. Today, figures show that we have broken the recession and are the first country in this part of Europe to have economic growth. However, almost 3 million unemployed is also a fact. Budget difficulties and areas of poverty are also real.

The second matter is the state. When I was appointed prime minister, Poland was threatened by political destabilization, an impasse in forming the government, and paralysis of authorities. However, this danger was averted and a coalition government consisting of seven different parties was formed. Responsibility for the state was what brought those parties together. This government was able to rule efficiently for the whole time. It was not easy.

There are more and more people who have been successful in Poland. Those who managed to jump at new chances. Others are still waiting for a change, they ask when something is to change in my home budget.

So how does this balance look. On the one hand we have economic growth that is probably the highest in Europe this year. We have political stability, we have local government reform, which brings positive effects, and people who have been successful.

On the other hand, we have high unemployment, regions and branches which are undergoing a crisis and people who say: When am I going to get anything out of this?

Foreign observers look at the Polish people with respect, they speak of the success of Polish reforms, and of our leading position.

In Poland, especially now during the electoral campaign, we hear many critical opinions. Ever more often too, one hears absurd accusations that are made in a dishonest way. I believe that the feelings of the majority of Poles lie somewhere between these two opposites. That is why we wish—in our report—to present the realities in order that Polish citizens may be able to discuss the reforms in their own country on the basis of facts. [video report on the news conference cuts abruptly to an interview with two Polish journalists, Jerzy Baczynski and Andrzej Jonas]

[Baczynski] In the hall where we are now sitting, prime minister, you held, a moment ago, your last news conference before the elections, and perhaps your last news conference period. We have also heard that the government's last meeting has also taken place. So we are meeting, one could say, in an atmosphere of farewells. In connection with this I have a question: Have you said goodbye already to your ministers, and does it mean that the government has really stopped work?

[Jonas] Could we ask you for a completely honest reply? During the news conference, prime minister, you answered on the principle of I have nothing to hide—you said so many bad things about the difficult moments of this government that, please, answer us honestly.

[Suchocka] The government session was, you are right, the last one before the elections, but it did not quite put an end to the government's work because I shall be tendering the government's resignation, as I have already said, once parliament has been formed. But it is a fact that—depending on the outcome of these elections—this government, in this composition, has in effect, held its final, completely normal session.

[Baczynski] Are you planning some sort of farewell dinner? I have heard that you are an excellent cook.

[Suchocka] I would very much like to hold a farewell dinner to mark the end of this Council of Ministers. This is, in fact, the practice all over the world. But I assure you that I shall not be cooking this dinner for the ministers. [laughs]

[Baczynski] Yes, well. Did you feel, during this period of 14 months of joint work with these ministers, that there was team spirit. Was this a team or was it more—until the very end—a set of personalities from various parties that you somehow tried to lead?

[Suchocka] I would say that this government grew together and I am aware of the fact that this is sometimes seen differently, but I feel this inside me. We really had to take quite remarkably difficult decisions, and we met at a time when this coalition had been formed and when—right at the start—we did not know each other very well, and we imagined that we would have great difficulty in adapting to one another. This we really managed to do and I would say that, on the whole, when taking very difficult decisions, this was really a team.

[Jonas] The prime minister once said in an interview to WARSAW VOICE, on the occasion of the award of the title Person of the Year, that this was very difficult, that the consolidation of this government was a task that was most probably the most difficult one in this time. I wanted to ask how much time and how much effort, if it is possible to divide it thus, into percentage terms, was devoted to the construction of the government, to the making of it, or else making it from day to day a functioning organism, and how much time was devoted to the resolution of political matters?

[Suchocka] It is difficult for me to say in percentage terms, because sometimes these are matters that are indivisible, maintaining unity or consistency in this government went hand in hand with the resolution of political problems. On the other hand, I can say, in general, that very much time was certainly absorbed in making sure this coalition did not collapse. In any case, a coalition composed of seven parties; it was once said that I in fact hold in my hand seven eels that are slithering away. This was indeed a fairly difficult task, but I can say, by way of commiseration, that all prime ministers in democratic countries who have to construct a government composed of many parties in a coalition have to cope with such difficulties.

[Baczynski] Yes. Prime minister, could you perhaps try, for we have already touched on this, to specify your role in this government. Was this more the role of a mediator, a judge, perhaps a tutor?

[Jonas] A mother?

[Baczynski] Perhaps a mother?

[Suchocka] [laughs] This almost sounds a little pompous. I judge that as it happens in the case of the government, no. On the other hand, very often, nevertheless, this was the role of a mediator, this was the role of a judge. Why, at times, the final decisions that were conflicting ones, as between various ministries, were finally taken in my office. These were not just decisions that regarded precisely economic matters and those of state, but sometimes also certain differences of opinion between ministers representing different political parties. Then it was necessary to adopt a certain mediating role, or mediation, of a political character.

[Jonas] Sorry, but insofar as I am aware, this mediation often took forms that were, let us say, scarcely diplomatic. The prime minister once spoke of this, that she is even capable of shouting ministers down.

[Suchocka] But as for shouting down, then as is usually the case, I was only capable of shouting down those closest to me. [laughs] Probably.

[Baczynski] But you sometimes had the temptation?

[Suchocka] The temptation? I even did this.

[Baczynski] Prime minister, do you take responsibility for this government? As a consequence of what we asked about a moment ago, for we look at certain inconsistencies in ministers' behavior, sometimes even touching upon a certain measure of disloyalty. Did you feel a certain personal supervision for this government? That you can say yes, this was my government, I answer for what this government did, and for what it did not do?

[Jonas] But in accordance with the principle that success has many fathers, failure but one mother?

[Suchocka] That is unfortunately the way. On the other hand, I would put it this way: That of course I take responsibility, and the responsibility is the responsibility of the prime minister, irrespective of the way this government was formed.

But going back to the genesis of the creation of this government, I can say that it was formed in a somewhat different way from that in which most coalition governments are formed—this stemmed from the difficult period in which it was being formed, didn't it? Well, usually one first designates the prime minister and he is entrusted with the decision on whom he wishes to be in coalition with and whom he wants to see in ministerial posts.

Here it was the other way around. First a coalition was formed—since for a month there had been a prime minister who was unable to form a government—and one could not allow yet another such situation to arise. So, first there was a coalition that was capable of achieving a majority of votes in parliament and then I was elected. So I certainly had less influence on the shaping of this government but the responsibility is mine, and I would like to say that I am very glad that, despite the fact that the government was formed in such a way that it was possible to bring this government together and achieve what it has, after all, a government that successfully undertook all decisions. But I will be made to bear the final responsibility anyway!

[Jonas] Does the efficiency of this government also mean that the picture of Poland is different from what it used to be, and is this picture the same from the point of view of the government and that of society?

[Suchocka] Well, unfortunately not. The picture from society's point of view is more gray, blacker—although I do not mean to say by this that from the government's point of view the picture is so very rosy. However, as far as the government is concerned we have to look at certain facts that indicate we are going in the right direction. These facts do so indicate but they have not—as I keep stressing—yet made themselves clear as far as every individual's wallet is concerned, and that is why I understand very well that people find life difficult, and that, on the whole, things are not going well for them yet—but at the same time I also understand that certain electoral promises, sometimes very populist and demagogic, fall on such fertile ground.

[Jonas] Precisely, prime minister, you have mentioned the elections. This march in the right direction, that is right from your government's point of view, will now have to come to a halt, perhaps a turning point, perhaps not: the elections. Does that mean that you could, prime minister, on the basis of your experience so far, define the dangers that face Poland in the coming period, and give some sort of advice or warnings regarding these dangers to the next prime minister?

[Suchocka] First of all, I would like to say very strongly that these elections on 19 September, this Sunday, 19 September, are really a crucial moment. This is not as it would be in well established democracies—when one goes out to vote for this or that party. In this case, really, on 19 September a decision might be taken as to whether we will be going in the direction of progress or whether there will be a general slowing down.

I would like to stress that there is no turning back to what used to be—there is no such empty turn-back. But there is a possibility of going back to a sort of chaos, to political and economic destabilization. That is what I most fear.

Now as far as the new prime minister is concerned—I would, it is true, send him the following message that, regardless of course of who will be the next prime minister and what he promised in the electoral campaign—and we have, after all, had all sorts of elections in the last few years, and we know that various things were promised and then later, when that someone took over power—he realized the very restricted possibilities of realistic solutions and gave up his preelection promises.

I would also like to propose to the new prime minister that he should take into consideration these realities, this restricted field of action and lead the economy in such a way as to not bring about increased inflation, not bring about an increased budget deficit, not cause us to find ourselves in general economic and political chaos.

[Baczynski] It could be that this future prime minister to whom you have directed your words will be yourself. Could you find in yourself sufficient strength and determination, after these experiences that you have had, in any case, doubtlessly very different, over these 14 months, to undertake such a mission?

[Suchocka] This is always a very difficult question, for this question can only be answered after the results of the elections. [words indistinct]...

[Baczynski, interrupting] But I am asking about your mood.

[Suchocka] As regards my mood, I can say that [words indistinct]...

[Baczynski, interrupting] Is this something that absorbs a person ever more?

[Suchocka] Does it absorb a person ever more? I can say that I never imagined in July of last year that I will really find in myself so much strength as to be able to fulfill this task. For really, unbelievable strength is required so as to be able to do all of this, despite the fact that sometimes I meet with the judgement that this is still too little, and that it is perhaps not enough.

[Jonas] From where does this strength come?

[Suchocka] [laughs] As some people say, at the moment when one takes on such a post one experiences something that might be called the grace of state. I clearly feel this.

[Baczynski and Jonas] Thank you.

UD's Mazowiecki on Parties, Election, Walesa

WS1709063093 Warsaw RZECZPOSPOLITA in Polish 13 Sep 93 p 3

[Interview with Democratic Union Chairman Tadeusz Mazowiecki, by Malgorzata Subotic; place and date not given: "We Are Not Blind"; information appearing under last three subheads attributed to Ma. S. and P.A.]

[Text]**[Subotic] In your opinion, who decided what happened in Poland over the last four years? Who ruled the country in that period?**

[Mazowiecki] There is not any one power center like this. Fortunately, the era of one-party rule is over now. There is the government, the president, and the parliament in the area of legislative authority.

[Subotic] But which political force, which parties influenced, in a determinant way, what happened in the country?

[Mazowiecki] Currently—I know this from meetings with voters—the four years are being talked about collectively, but everyone knows that there were different governments during that period.

[Subotic] I think there was a Democratic Union [UD] prime minister heading two of the four cabinets then, for a total period of 30 months?

[Mazowiecki] During the time of Bielecki's government, we were in the friendly opposition because we recognized the importance of continuing the economic program. We were in the opposition during the term of Olszewski's cabinet, and that is an important fact. But I agree that in the remaining period, we had a decisive role in the government, although we were never alone. My cabinet happened to act during a special period of transition, of a breakthrough. As far as Hanna Suchocka's coalition government is concerned, we must not forget how difficult a coalition it was.

[Subotic] So was it worth agreeing to this coalition compromise?

[Mazowiecki] Yes, it was. Thanks to the compromise, we have stable development of the country, both economically and politically.

[Subotic] What is UD willing to admit, for what is it ready to take the responsibility during the period following the 1989 elections?

[Mazowiecki] We are ready to take responsibility for the basic decisions which made the democratic system and a social market economy possible.

[Subotic] Could you be more specific?

[Mazowiecki] I would have to list the individual measures of reforming the state and its economy. But I can mention the self-government reforms, the anti-inflation policy, preparation and introduction of privatization, although in the last case mentioned, I would not like to take credit away from the liberals.

[Subotic] Do you mean credit or blame?

[Mazowiecki] Privatization conducted on this scale as never before in history, is such a difficult process, that only extremely arrogant people can say that you can avoid mistakes in the process. As far as our direct participation in the responsibility for this process is concerned, it was limited to the initial stages, when Waldemar Kuczynski was heading the ministry. After that, the liberals led the process the entire time, except for Olszewski's government.

[Subotic] I would still like to know what mistakes you, the party, are willing to admit.

[Mazowiecki] During the time I was prime minister, I underestimated the rate of growth of political parties in Poland. After the parliamentary elections two years ago, UD was not sufficiently ready to undertake coalition measures, and there were others who acted before we did. I think right now we learned to be more open, and we understand now that there can be no domination by any one party, within the kind of party arrangement we have in Poland.

[Subotic] Are there compromises of which you, UD, are ashamed?

[Mazowiecki] Some of my colleagues from UD think that compromises on economic matters were harmful. What I regard as bad is the fact that Prime Minister Suchocka had her hands tied regarding staff changes in the government. That was a negative result of the coalition arrangement which forced such staff compromises.

[Subotic] So if it happens that after the elections UD will be participating in the government with its prime minister, then UD will not agree to such staff compromises?

[Mazowiecki] We know now it is a problem.

[Subotic] How would you respond to those who say: Maybe UD wanted all the best but they clearly did not succeed; they had their turn with ruling the country, and that must be enough.

[Mazowiecki] I think that many people who had received the changes of 1989 with hope, expected quicker results. There appeared different obstacles in the path, both predictable obstacles and unpredictable ones, and we must not forget that. The most important obstacles are the breakdown of the Eastern market, and the inability to quickly respond to the new situation by management of state-owned enterprises. Instead of creating new opportunities for their enterprises, they decided to wait and see what happens. We are certainly guilty of insufficient attention to education, science, and health care. Improvements may be brought about first of all through such a reorganization of financial services, which would result in the efficient execution of tax laws. This would result in greater opportunities for the state budget.

My answer for people whose statements you quoted would be: It is a matter of time. We were not successful in everything, but difficult social problems can be solved only by developing the market economy, and not by returning to the old system in which the state was one huge employer.

[Subotic] UD is criticized by some political parties, mainly right-wing ones, for changing its views, especially in relation to the president. Do you agree with that opinion?

[Mazowiecki] One has to distinguish between two issues—the attitude toward the president as head of state, and the attitude toward the president as a politician who often expresses widely different views. Let me give you an example. I think it was a misunderstanding for the president and the people surrounding him to evaluate our statements after the president had clearly expressed his support for the proreform camp. We responded to his support, and we made clear how important it was. But we did not carry further on the idea inherent in his statement, that the president will be heading the camp. We did not think that should be the role a head of state should perform. But further dialogue was possible nevertheless.

[Subotic] So why did it not happen?

[Mazowiecki] Apparently, the president must have regarded responses to his statements as insufficient. Statements by different people surrounding the president appeared, and they were not very nice statements, aggressive ones.

[Subotic] Whose statements were those?

[Mazowiecki] Mr. Falandysz's, Mr. Kozakiewicz's. It was a different case with the Charter of Economic Principles, on which we took a position. The charter contains many elements about which we had talked before. Mr. Andrzej Olechowski is now reinterpreting the concept. It is yet another story with adopting an attitude toward the idea of 300 million privatization certificates, which used to be 100 million. It is no longer 300 million for everyone, but the idea of installment-type privatization, or sale. It is now a completely different idea; it is no longer the popular giving-away which had been talked about before, but even that latter concept is, in our opinion, of very dubious value from an economic viewpoint.

[Subotic] Is it really? Lech Walesa kept voicing the reservation that it is a preliminary draft, and not a finished concept. But that did not prevent UD and others from immediately beginning to criticize it.

[Mazowiecki] In the beginning, the concept had the appearance of an act of giving away, and this is what people took it to mean. Now a fundamental question arises: To what extent can this idea of installment-type sale really be carried through in practice, can the state afford this type of credit-giving, and will it not accelerate inflation?

[Subotic] Perhaps we should not talk anymore about the concepts of the Non-Party Bloc In Support of Reforms [BBWR], but rather about those of the UD.

[Mazowiecki] You asked me about my attitude toward the president, so I respond: We regard it as extremely important the whole time, that—regarding political proposals—it be a partnership-like relationship, not one based on subordination. We are always open to a partnership-like dialogue, but we are not open to the following proposition—either you agree with me 100 percent, or you are my opponent.

[Subotic] Are the president's measures toward UD ones indicating an alliance, or hostility, during the current election campaign?

[Mazowiecki] I can perceive a certain evolution—from very unfriendly actions to actions which could create some prospects for cooperation. But as for whether or not the evolution is going to continue, I do not know.

[Subotic] How does the evolution specifically manifest itself?

[Mazowiecki] It manifests itself precisely in a change of tone, and in not holding on to very unclear proposals.

[Subotic] It would appear from what you are saying that if the president supports UD and then takes a backseat, then he is good, but if he does not support UD and wants to continue being active, then he is bad?

[Mazowiecki] We are critical not when he wants to be active, but when he wants to subordinate everyone to himself. If a president creates a political camp, then we can only talk about partnership-like relations with the camp, not about subordination.

[Subotic] Why exactly is that?

[Mazowiecki] Because we are a separate political party, not a presidential one. It is a fundamental question of whether Lech Walesa is going to devote the second half of his presidential term to strengthening reforms in Poland, or going to destroy the political order in a fight for his position. We do not yet know the answer to that question. The most recent letter from the president is a very serious document; I have just responded to it and I hope the political dialogue will continue.

[Subotic] What is the answer to a question about UD's political allies in the new parliament?

[Mazowiecki] Let us leave that question until after the elections.

[Subotic] Yes, that is a question about the next step. But I think elections also take place to create a new government?

[Mazowiecki] I think that UD's potential partners include the Liberal-Democratic Congress [KLD] and also those parties which formed the governing coalition up to now. We can also be open to talks with the Union of Labor [UP] and the Polish Peasant Party [PSL].

[Subotic] Despite the label which PSL had in the previous parliament, of a fast-changing, unpredictable party?

[Mazowiecki] PSL is the most serious political party linked with the countryside, and one should take it seriously into account.

[Subotic] Public opinion polls indicate that apart from UD, there may be no other political party currently forming the government coalition, to gain seats in parliament, just like the right-wing, opposition parties. What will happen then?

[Mazowiecki] Let us wait for the results. In any case, UD used to be in the opposition before and it can be there again. Still, I believe the results will be different than that, and that a certain mobilization will occur on election day.

[Subotic] What could cause this mobilization?

[Mazowiecki] Fear of the consequences of the Democratic Left Alliance [SLD] returning to power.

[Subotic] But it was a different case in the previous elections. Poll results indicated a high rate of support for UD, but the real result was much lower.

[Mazowiecki] Right now, public opinion polls are more credible to the extent that people do not conceal the fact that they will vote for SLD. This time, there could be a "poll overrepresentation" precisely with regard to SLD because these are not signs of support for SLD but signs of disheartedness.

[Subotic] Disheartedness toward what?

[Mazowiecki] Toward the current political situation, to the fact that living conditions have not improved as fast as we had expected, and so forth. Still, I hope that come 19 September, the voters will realize that the act of voting is about choosing a particular program. Now, if SLD achieves significant success and if they are to assume power, it will have to face a question which this time will be a real question, not just an election one: What to do next with the economic reforms? Then they will either have to abandon their promises of an easy and fast resolution of social problems, or they will have to implement a policy which may soon result in a return to high inflation and very serious economic instability.

[Subotic] Does UD allow for a possibility of forming a government coalition with SLD?

[Mazowiecki] If SLD achieves victory in the elections, we do not allow for such a possibility.

[Subotic] Do you say that UD will not join SLD in a government in front of your own electorate?

[Mazowiecki] It is precisely our electorate that does not want us to be part of a government created by SLD, and by voting for us, the electorate counts on us, not SLD, creating the new government.

[Subotic] What about a coalition with UP, which according to sociological estimates is capable of taking part of the electorate away from UD?

[Mazowiecki] UP is benefiting from the same social discontent as SLD. But I do not hide it that my attitude toward UP is different than toward SLD. I do not rule out a possibility of cooperating with UP, but not under the terms which UP's leaders communicated to us.

[Subotic] What terms are those?

[Mazowiecki] A change in our position on the church and the liberals. By the same token, we could reverse the terms and address them to UP. I think that UP could really use some more ability to make political compromises.

[Subotic] What do you think, how long will the parliament last if center-right and liberal parties do not gain seats?

[Mazowiecki] I am not planning on a situation where the parliament should be dissolved immediately after the elections. That would be absurd. The parliament's duration will depend on the ability to act in the legislative area, and on the ability to form a government and vote upon a budget.

[Subotic] So it could happen that to retain the country's stability, UD will decide to come to a governmental compromise both with SLD and with PSL?

[Mazowiecki] I told you already everything I have to say on this topic. I believe in the voters.

[Subotic] What, in your opinion, could convince the voters to choose UD?

[Mazowiecki] UD is a center party with a strong position, and it guarantees Poland's further development without disruptions. We are not blind to the big social problems which have surfaced, but the way we want to solve them is through further economic development.

[Box, p 3]

Attempt at Social and Political Forecasts

If UD wins the elections, we can expect:

—efforts for the enactment of a new constitution as soon as possible. The president would then perform the role of the supreme umpire, while the government, as executive authority, would have significant rights described in a detailed way;

—completing the reform of governmental and self-governmental administration (establishing powiats [administrative districts], decreasing the number of voivodships), restructuring the government's center, establishing a cadre of apolitical officials;

—a gradual and consistent process of connecting Poland with EC and NATO structures;

—a semiprofessional Army, half of which would be composed of professional soldiers, and a shortening of basic military duty from 18 months to 12 months;

—introduction of the kind of system of social security which would guarantee a minimum level of pensions for everybody, and an additional level linked with voluntary contributions;

—reform of the health service, including contracts for services guaranteed by the state, and competition between state-owned and privately owned health care units;

—fighting unemployment with active methods (training certificates, public work), at the cost of decreasing benefits for people without work;

—implementation of the "Agreement on State-Owned Enterprises," and concluding new agreements between the government and different interest groups on:

* national education
* health protection
* social insurance

—file-checking limited to verifying people occupying leadership positions in the state;

—maintaining the current antiabortion law in force, widening sexual education;

Different aspects of UD's program may receive different attention, depending with whom UD enters into coalition. This is a result of the centrist nature of UD, as well as of its diversified nature.

Possible alliances:KLD is the closest ally. Cooperation with UP, the Catholic Election Committee "Motherland", BBWR, and PSL, is possible.

Practically speaking, alliances with other parties are not completely excluded, except for Party "X," Self-Defense, and the Confederation for an Independent Poland.

[Box, p 3]

Attempt at Economic Forecasts

UD will probably be among the three leading parties after the elections. It does not mean that economic forecasts are easy. It is not known whether UD will be the leading party in the coalition after the elections, or only one of the several partners. It is not known whether it will decide to make the current direction of economic policy (and the finance minister's post) a condition of participation, or whether by contrast, it will withdraw in the direction of the "superstructure" [not further specified].

We assume it more probable that UD will maintain a significant influence on shaping the economic program. In that case, we basically predict a continuation of the policies conducted up to now.

Possible changes will depend on who coalition partners will be. A rather leftist arrangement (UP, PSL rather than SLD) will mean that it will be necessary to relax a little the attitude on the issue of the budget deficit, inflation, and the tax system. A broader range of state intervention is probably certain regardless of who the partners will be.

All in all, we think that after the elections, and assuming UD will maintain an important position in the governing coalition:

* the budget deficit will remain at the level of about 5 percent of gross domestic product, the government will try to influence the Polish National Bank to finance the deficit to a larger extent than before;

* perhaps there will be a slight decrease of inflation to a level of about 28-30 percent yearly, but it is possible that inflation will remain at the level of about 35-40 percent;

* the program of mass privatization will be continued, but it will have a limited range;

* contribution by privatized companies will increase and so will employee participation (leasings, employee shareholding plan, installment sale, etc.);

* the government will insist that devaluation follow more or less the rate of inflation, which may mean slightly more frequent changes of exchange rates, but these will also occur on lower levels (regardless of "creeping" devaluation);

* an agreement will be signed with the London Club in 1994, while the agreement with the IMF will be implemented;

* the tax structures in force up to now will be basically maintained (including those proposed in the "Agreement on State-Owned Enterprises"); it is probable that on one hand proposals to introduce quasi-taxes will be implemented (a percentage from income devoted to the unemployed, contributions to goal-funds [not further specified]), and a certain extension of the range of investment benefits on the other; intentions regarding imposing taxes on capital income, savings, etc., are not clear—this will depend on the budgetary situation and on the efficiency in restraining social expenditures (pensions, benefits for senior citizens, unemployment benefits).

[Box, p 3]

The Fight for Leadership Position

Compared with other political parties, UD has always enjoyed very high rankings in election opinion polls. In the previous parliamentary elections in 1991, results from public opinion centers consistently confirmed over 20-percent support for Tadeusz Mazowiecki's party. But in reality UD gained only 12 percent of parliament seats. Attempts were made to explain the discrepancies between what had been forecast and what really happened, by saying that it is fashionable to admit one's intention to vote UD. On the other hand, a part of those people who had wanted to support SLD, hid the intention before the interviewers.

This time, the situation is different. According to polls by the Sopot-based Institute for Social Research, after the campaign had started UD began losing what looked like its position of unquestionable leadership. As early as July, SLD gained advantage over UD for the first time, by three points. However, according to the last poll published before the elections (the poll being from September), both political parties are "neck-and-neck," with UD leading by a very slight margin.

Walesa To Respect Outcome of Elections

LD1609223393 Warsaw PAP in English 1901 GMT 16 Sep 93

[Text] Warsaw, Sept. 16—President Lech Walesa reiterated Thursday his earlier statements that he would respect the outcome of Sunday's [19 September] parliamentary elections and democracy.

In an interview with the Polish radio, Walesa said: "I will not respect any victory other than that of pluralism, democracy and free market economy. If someone wanted to change the course on those issues, I would not respect him and would fight him. I will not let anyone depart from the course of reforms for which I have struggled for 25 years. I will be firm," Walesa stressed.

Aksed whether he could introduce a state of emergency if, following the elections, the opposition and street demonstrations would lead to anarchy, Walesa answered he would not waver. "I will not let Poland be burned or ruined. I will be firm," he said.

According to President Walesa, the election turnout will reach 60 to 75 percent of eligible voters.

Answering another question he said he would be ready to pardon Col. Ryszard Kuklinski if only he approached the president with such a request.

BBWR's Olechowski on Prime Minister Office, Alliances

WS1709114993 Warsaw NOWA GAZETA in Polish 17 Sep 93 p 6

[Interview with Andrzej Olechowski by Stanislaw Remuszko; place and date not given: "Government Must Have Majority"]

[Excerpts] [passage omitted] [Remuszko] You are quite often said to be a "certain" personal candidate of Lech Walesa for the post of prime minister. Some go even so far as to say that if the left, which is likely to win the elections, does not manage to form a government, the next mission of forming the government will be entrusted to you. Would you be prepared to become prime minister if you received the support of the Belvedere and Wiejska Street [the National Assembly]?

[Olechowski] If my party, the one that I am supporting and recommending to voters, submitted my candidacy for prime minister, I would certainly accept such a proposal. It would be satisfying and challenging to me. However, three very important conditions would have to be met—the government would have to have a majority; I have already worked in a minority government and I can tell you that it is intolerable. Second, it would have to be a government formed by the chairman of the Council of Ministers, not by a coalition parties. The country should be governed by specialists; they cannot only be professional politicians who are just familiar with politics. Third, it would have to be a government that would implement economic principles adopted in the Charter of Economic Principles, drawn up by the President's Council for Economic Development. [passage omitted]

[Remuszko] You are running on the Non-Party Bloc in Support of Reforms [BBWR] ticket. Why on a ticket of this bloc? I have heard it said that you could have had some other proposals.

[Olechowski] I am not running on a BBWR ticket. I am not a candidate for the Senate, nor for the Sejm. The decision was strictly personal—there are people who are predisposed to be tailors, others are better at repairing shoes. I would not feel good living on Wiejska Street; this is not interesting to me. However, I support BBWR whole-heartedly; I identify myself with it.

[Remuszko] What do you think will be the most important long-term task for the future government? What will be the most urgent task that will have to performed?

[Olechowski] The most important long-term task is to give the people faith that the government knows where things are going and knows the stages of this process. We must eliminate the conviction that Poland is heading nowhere. What will be happening in Poland in a year or two should give individual people and idea of what will happen in the future. They should know the parameters of their areas, and it cannot be a prospect of half a year or even a year.

Now, the most urgent task is to prepare a budget for next year. I also believe that there is a need for restructurization; there are certain programs that need to be implemented. Apart from that, many issues are awaiting decisions; I cannot say which issue is the most important and most urgent, except the budget.

[Remuszko] The Electoral Law does not allow for the publishing of any more opinion-poll results. I would like to ask you about your forecast: How many parties will enter the Sejm? Which parties will they be, and which of them will win the elections?

[Olechowski] In my opinion, six or seven parties, at the most, will enter the Sejm. The elections will bring victory to the leftist parties, that is, the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL]. I do not think that this will be good for Poland. I am not trying to say that these are crazy parties. Some states have already implemented leftist programs and did not collapse because of that. I simply believe that this is not the time for Poland to implement such programs.

[Remuszko] There are 15 political groups that have a theoretical chance of exceeding the 5-percent limit. Is there a party among them with which you think BBWR will definitely not form a coalition?

[Olechowski] Yes and no. I think that this will depend on the configuration in the Sejm. If it were relatively equal, which may happen, then there would be a chance to form a broad coalition that would establish a government for more than a few weeks or months. Then BBWR will certainly be an active participant or coordinator of such activity. However, if it were a coalition with 40 or 50 percent of the support in the Sejm, then I can definitely exclude the possibility of forming a coalition with leftist parties, such as SLD, PSL, or the Labor Union. Programmatic differences would be too great.

Ω Joint Weapons Production With Swedish Firm Begun

93P20339A

[Editorial Report] The Polish Warsaw TVP First Program Network reported in a 2 September broadcast that "the arms factories in the towns of Skarzysko Kamienna and Stalowa Wola have started cooperation with the Swedish armaments industry giant, the Bofors company." The 3-5 September issue of the Warsaw daily POLSKA ZBROJNA also noted the resumption of the cooperative relationship between the military industries of Poland and Sweden that had existed in the period before World War II, when Polish manufacturers produced Swedish- designed weapons under license from Bofors.

According to POLSKA ZBROJNA, Bofors is a "keen observer" of the Polish military and recognizes that "Poland will want military equipment with parameters close to those of Western armies as it gets closer to NATO." The article notes that, while the Swedes would prefer to sell their products directly to the Poles, they are barred from doing so by the new Polish military doctrine, which specifies that the "Polish Army will order new types of weapons from its own defense industries," which have "potential that has not been fully utilized." Faced with a choice between earning "a little or nothing at all," Bofors has opted for joint production of its weapon systems.

POLSKA ZBROJNA comments that the Swedish offer meets the needs of the Polish Army, "which is looking above all for a powerful antitank weapon. The so-called Bill system, a portable weapon weighing 36 kg, with a range of 150-2,200 m, is such a weapon, and, more important, many of its components can be produced in Polish factories." The paper states that the 84-mm "Carl Gustav" recoilless rifle could also be coproduced.

There are currently five programs in the works between the Poles and the Swedes, POLSKA ZBROJNA reports, noting that the possibilities for further military-industrial cooperation are "vast." Bofors, for example, has proposed the modernization of some Polish weapons through the addition of Swedish equipment, and Poland has invited Bofors to cooperate in the production of the new Polish PT-91 "Hard" tank." The daily also points out that the "Swedes have not only new products and cooperation to offer but also technical advice. Bofors spends 2O percent of its budget on research and development."

Melescanu, Hungary's Jeszenszky Hold More Talks

AU1609152693 Bucharest Radio Romania Network in Romanian 1300 GMT 16 Sep 93

[Text] The third round of official talks between Mr. Teodor Melescanu, minister of foreign affairs of Romania, and Geza Jeszenszky, minister of foreign affairs of the Hungarian Republic, ended at noon today. The talks focused on bilateral ties, including the basic political treaty between the two countries. According to our correspondent Doina Saiciuc, after the talks the two ministers signed two economic agreements—considered to be most important—namely the accord on promoting and protecting investments and the accord on avoiding double taxation.

After the signing of the two agreements, the two foreign ministers made statements before a large number of journalists. Mr. Teodor Melescanu expressed satisfaction at having the Hungarian foreign minister as guest in our country, at the head of an important delegation. He assessed the visit as a historic event, the first visit of a prominent political figure from Hungary after 1989. Mr. Melescanu expressed the conviction that the Hungarian foreign minister's visit will represent a very important step along the road of relaunching bilateral relations. The Romanian foreign minister considered the Bucharest talks as excellent, since they were an opportunity for an honest exchange of views on all aspects of Romanian-Hungarian relations. According to Mr. Melescanu, the talks enabled a clarification of the stands of the two sides on all aspects of bilateral relations.

In his turn, Mr. Geza Jeszenszky said that, since the current Hungarian Government came to power in 1990, one of the goals of its program has been to improve relations with all its neighbors and to regulate them by peace treaties. Mr. Jeszenszky said that the Bucharest talks were fruitful. One of their goals was to ensure that the citizens of both countries will reap the benefits of this visit, our correspondent reports.

According to our correspondent, agreement was reached during the talks on several concrete actions, such as the opening of two new border points, which will be immediately modernized, and the organization of seminars on the problems of national minorities and their status in Europe, the region, and the two countries. The sides also approached matters pertaining to subregional cooperation. An important part of the talks was devoted to the activity of the government's Consultative Council of National Minorities and the implications of the recent withdrawal of the Democratic Union of Hungarians from Romania from this body.

Mr. Viorel Hrebenciuc, president of the Consultative Council of National Minorities, participated in all the three rounds of talks.

Melescanu, Jeszenszky Sign Accords

AU1709064693 Bucharest ROMPRES in English 1833 GMT 16 Sep 93

[Text] Bucharest, ROMPRES, 16/9/1993—After signing the agreements for the promotion and guaranteeing of investments, and for avoidance of double taxation, the Romanian Foreign Minister Teodor Melescanu expressed once more his satisfaction "for this historical event, the first visit of an important political personality from Hungary since December 1989," and the conviction that "the visit will be one more step towards relaunching the Romanian-Hungarian relations." "I wish to be very frank with you," Mr. Melescanu said, "and tell you that this conclusion arises not only from the very excellent discussions and the very open exchange of views I have had with my Hungarian colleague, but also from the fact that today we have signed economic agreements of special importance for both countries."

In his opinion, the two agreements will have a positive influence on the development of the bilateral economic ties. He also said: "the discussions helped us clarify our opinions and concerns about the points we have tackled. In many of them we have succeeded in taking encouraging steps in a good direction." "First, we have agreed to continue and accelerate the negotiations for the conclusion as soon as possible of the treaty of principle between Romania and Hungary. In our view there are no special impediments likely to unnecessarily delay the progress of the negotiations. I personally think that once the treaty is finalized, it will mean a special contribution not only to the development of the relations between Romania and Hungary but also to the stability and security of our region and in Europe," Teodor Melescanu said.

The Romanian foreign minister showed that one of the main topics of the talks was that of the rights and duties of the persons belonging to ethnic minority groups. "We availed ourselves of this opportunity to inform Minister Jeszenszky of all the efforts the Romanian Government is making for the permanent improvement of the status of minorities in Romania, including the most important of them, the Hungarian minority," and specified that to this effect the sides had "agreed to organize meetings in Bucharest and Budapest for discussions on the status of minorities in Europe and in certain geographic areas of Romania."

Foreign Minister Melescanu said that "the admission sooner of Romania to structures like the Council of Europe, the Central-European initiative, or the Visegrad Group can speed up the democratic process in Romania."

"We have stressed the particular satisfaction the Romanian Government would have if it could get a clear support from the Hungarian Government in connection with Romania's joining the Council of Europe," and he added that "we have handed Mr. Jeszenszky a file containing copies of documents in the archives of the Romanian Foreign Ministry related to the 1956 events in Hungary, not only as a sign of goodwill but also with the conviction that a better information can help us to know one another better and make a more accurate assessment of each side's interests and intentions," the Romanian foreign minister said.

After the signing of the two agreements on bilateral economic relations between Romania and Hungary, namely one for promotion and guaranteeing of investments and the other for avoidance of double taxation, Foreign Minister Geza Jeszenszky of Hungary said: "We have had fruitful talks, the negotiations have extended beyond the time scheduled for them. They have served the interests of both peoples and I can say that, after a good day, I have managed to fulfill many of the aims I came here for. And one of them was that the citizens of both countries could feel the benefits of this visit."

"Besides the talks and exchanges of opinions we have had, the agreements we have signed here have their importance, both internal and external," the Hungarian foreign minister said, showing that "we have agreed, that in the shortest possible time we should open several other frontier crossing points, which are important not only for the citizens of the two countries, but also for international traffic."

"On the other hand," he continued, "we agreed to debate the contents of school books in specially-appointed joint committees."

Minister Jeszenszky said the visit to Romania had given him the opportunity "to meet the entire spectrum of the Romanian political life" and to find "with satisfaction that, as far as the principles of the bilateral relations are concerned, there is a consensus to the effect that the good relations between our countries are an element of stability in this region, but also to the effect that the situation of the ethnic minorities in both countries must be settled by legal means."

"Even if I have not concluded my visit yet," Hungary's foreign minister said, "I can already state that it has been most fruitful."

MP's Receive Jeszenszky

AU1709064793 Bucharest ROMPRES in English 1846 GMT 16 Sep 93

[Text] Bucharest, ROMPRES, 16/9/1993—Hungary's Foreign Minister Geza Jeszenszky successively met on September 16 representatives of the Senate and the Chamber of Deputies groups of the ruling party of social democracy, parties in the Democratic Convention [CDR], and the Democratic Party (National Salvation Front).

Oliviu Gherman, president of the Senate, representative of the ruling party, said that the talks were very sincere, very useful for the clarification of certain points almost disregarded so far in the Hungarian-Romanian ties. "The visit of the Hungarian foreign minister will contribute to thawing in an area artificially frozen so far."

Nicolae Manolescu, chairman of the Civic Alliance Party, a Democratic Convention member, said that the interview is proof that "we can talk as friends," and that the future of the relations between Romania and Hungary has to be based on "non-hypocritical respect full of understanding."

Sergiu Cunescu, chairman of the Social-Democratic Party of Romania, a Democratic Convention member, mentioned that the interview was "hopeful for the evolution of bilateral relations."

Corneliu Coposu, who chairs the Christian-Democratic National Peasant Party, the main party in the CD, said for his part, that the meeting was "a step forward in establishing sincere, lasting links between our countries."

Starting from the idea that the "problems of the Hungarian minority is a dispute among politicians, not among commoners," Adrian Severin, deputy for the Democratic Party (National Salvation Front) underlined that "the Hungarian minority, any minority, has the right to be respected but also the duty to be faithful to Romania."

"The Hungarian-Romanian friendship can be built anew and if we persevere in that direction, a new future is possible for our peoples, we shall be guarantors of stability in this part of Europe, we shall be able to fight instability and poverty."

Iliescu Meets With Jeszenszky

LD1609230593 Budapest MTI in English 1933 GMT 16 Sep 93

[Text] Bucharest, September 16 (MTI)—Romanian President Ion Iliescu and Hungarian Foreign Minister Geza Jeszenszky's meeting in Bucharest today lasted almost two hours, longer than scheduled.

After the consultation, both Iliescu and Jeszenszky praised the fact that the meeting took place at all, and that they had a chance to discuss and clarify the problems and collate their views on various questions, including the minority issue. Some still unsettled questions needed more mutual confidence to be created.

Jeszenszky welcomed that President Iliescu shared the view that Hungary did not want to rival, or isolate, Romania. The foreign minister hoped his visit, and especially meeting the president, would help dispel doubts and mistrust in Romanian society.

Jeszenszky quoted President Iliescu as saying that Romania wished to bring its legal system and practice into line with European norms and the Copenhagen Declaration of the CSCE. The minister also quoted him as saying that the requirements and recommendations specified in the European documents have already been fulfilled in Romania.

In reply to a question by MTI, President Iliescu said he considered it highly important what position Hungary adopted on Romania's admission to the Council of Europe.

On Friday, Jeszenszky is to fly to Tirgu Mures, the first leg of his tour of the provinces. On Saturday he will make a trip to Mures and Harghita counties and visit Timisoara. He returns to Bucharest on Sunday for his fourth meeting with his counterpart, Teodor Melescanu, followed by a joint press conference.

Iliescu, Jeszenszky Make Statements

AU1709064893 Bucharest Radio Romania Network in Romanian 1927 GMT 16 Sep 93

[Text] Today, in the evening hours, Romanian President Ion Iliescu has received the Hungarian delegation headed by Mr. Geza Jeszenszky, Hungary's minister of foreign affairs.

After their two-hour talks, which were also attended by Mr. Teodor Melescanu, state minister and Romania's minister of foreign affairs, President Ion Iliescu made a statement emphasizing the necessity of promoting a climate of agreement between Romania and Hungary, which would serve the interests of both countries. In his turn, the Hungarian Minister of Foreign Affairs pointed out that one of the goals of his current visit is to correct certain mistaken perceptions still existing in Romanian society with respect to Hungary.

Vacaroiu To Set Up Corruption Control Commission

AU1609153093 Bucharest Radio Romania Network in Romanian 1300 GMT 16 Sep 93

[Text] A short time ago, we received the following communique on behalf of the Romanian Government:

Romanian's Government has been constantly concerned with the scope and particularly serious consequences of the phenomenon of corruption that practically affects all economic, financial, and social areas. On the basis of measures established by its Executive Bureau designed to ensure the effectiveness and efficiency of the activity of central and local control bodies, Romania's Government has decided to set up a government control commission coordinated by the prime minister's control corps. This commission is to incorporate specialists from the Ministry of Finance, the General State Control Directorate, the Financial Oversight Body, the Directorate for Customs Supervision and Control, the Ministry of Interior, and General Police Inspectorate.

The government commission is to act on the basis of its own activity program with the main purpose to discover and verify cases of corruption, fiscal evasion, unloyal competition, and irregularities in managing state capital and public funds whereby important prejudice is caused to the national economy.

The government commission is to operate within the prime minister's government control corps with the help of specialists from the said control bodies, who are characterized by high professional and moral conduct.

The activity of the central and local control bodies will be examined periodically within Executive Bureau and government meetings.

The communique is signed by prime minister of Romania's Government, Mr. Nicolae Vacaroiu.

Defense Minister Returns From Visit to Turkey

AU1509201993 Bucharest Radio Romania Network in Romanian 1700 GMT 15 Sep 93

[Text] The Romanian minister of national defense, Lieutenant-General Niculae Spiroiu, returned tonight from Turkey, where he paid a visit upon the invitation of his Turkish counterpart Nevzat Ayaz.

We inform our listeners that today, the Romanian dignitary declared, in a telephoned interview to our radio station, that the major goals of the visit to Turkey were talks with the Turkish defense minister, meetings with representatives of a firm in charge of the social-protection of soldiers in the Turkish Army, and a visit to a military technology exhibition and to an armored technology enterprise.

Article Views Necessity of Dialogue With Hungary

AU1609195693 Bucharest ROMANIA LIBERA in Romanian 14 Sep 93 p 1

[Commentary by Bazil Stefan: "Romania and Hungary Reached the Moment of Truth—The Clearing Up"]

[Text] The Romanian Government did the right thing by not adopting the proposal of the PUNR [National Romanian Unity Party] requesting that it should withdraw the invitation extended to [Hungarian Foreign Affairs Minister] Geza Jeszenszky to visit Romania. As anyone could realize, the Vacaroiu cabinet, considering the difficult circumstances under which it is governing, could have easily accounted for such a gesture. Still, this would not have been profitable at all, because Romanian-Hungarian relations have reached what is called the moment of truth. Eschewing in such moments is useless. Mr. Jeszenszky's visit is not inopportune at all, as claimed by the PUNR, on the contrary, it is necessary. Especially now, on the eve of the session of the Parliamentary Assembly of the Council of Europe—which will examine and take a decision regarding Romania's admission request—rather than following that session. There are a number of reasons for this.

The first reason is that two nations that respect each other cannot afford to let their relations, which could be profitable for both, deteriorate because of the confusion, misunderstandings, mistaken perceptions, and suspicion caused by a lack of dialogue while more and more problems are accumulating. Besides, Romania and Hungary's common striving for European integration compels them to try to achieve a modus vivendi so that they would not drag their bilateral dispute into the European structures they will eventually join, because Europe might then feel duty-bound to slam the door in the both their faces. The last reason is that Hungary is able to block Romania's admission to the Council of Europe, if it so wishes. Certain political circles in Hungary would favor such a move. However, a decision like this also implies certain risks for Budapest, because this would not merely be an affront against Romania, but also against all the states supporting Romania's admission. Both the number and the names of those supporters are quite significant. In this case, Hungary would find itself in an unpleasant stance, and, besides, it is not certain whether adopting it would be profitable or rather damaging. The only certain thing is that its ties with Romania would be discredited for a long time. That is why, logically speaking, Budapest should be interested in first clearing up things with Bucharest. However, logical things are not always right or true as well, but how is one to know if one avoids dialogue?

Actually, the things that are still to be cleared up between our countries could be settled by concluding the Romanian-Hungarian treaty. The largest part of its text has already been negotiated, actually there are merely two issues left unsolved. However, both of them are fundamental issues: On the one hand there is Romania's legitimate request that both signatory parties of the treaty should clearly state that they do not have territorial claims against each other; on the other hand, there is Hungary's equally legitimate wish that the rights of the Hungarian minority living in Romania should be guaranteed. Obviously, there is a close connection between those issues: They mutually assume each other's existence. But where is the point where minority rights end and a lack of loyalty and separatism begin? What is acceptable and what is not? Such issues ought to be cleared up urgently. Unfortunately, instead of making things clearer and calming spirits down, the UDMR [Democratic Union of Hungarians in Romania] memorandum added fuel to the flames. That document has the fault of carrying groundless assertions and exaggerated claims, the mass of which is smothering the real things it also contains. It approaches the whole problem from a very distant and elevated point, namely that of the ideal situation and perfection.

If, during their dialogue, Romania and Hungary manage to stay on the ground of reality, they not merely have good chances of achieving a modus vivendi, but also of establishing excellent cooperation ties. The UDMR memorandum sets the standard of expectations far too high. After all, why should Romania be the state expected to meet all the "performance criteria" assigned to the ideal status of ethnic minorities in order to be allowed to join the Council of Europe, while other states, which are already members of that body, offer considerably less to their own minorities? This is as if the International Olympic Committee had decided that the world records in various sports would be selected as standards for participation in the games, but merely for certain countries. Who would accept such a thing? The moment of truth has come. Romania and Hungary ought to tell each other everything they have to say, after which they have to get down to reality and do, if politics is the art of achieving the achievable, whatever can be done.

Foreign Media Bulletin: Balkan Crisis 17 September

WA1709174593

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Serbian Radical Party leader announces plan to introduce no-confidence motion against Serbian Government ... Rebellious Bosnian Serb soldiers end blockade in Banja Luka ... Bosnian Croats reject Muslim territorial demands ... Krajina Serbs, Croatian Army trade charges of artillery attack on Knin ... Bosnian Army announces investigation into massacre of Croatian villagers.

POLITICAL

SESELJ TO INTRODUCE CENSURE MOTION (TANJUG): Serbian Radical Party leader Seselj announces plan to introduce no-confidence motion in Serbian Government on 27 September, saying government has been "incompetent" and has "done nothing to improve the economic situation." (LD1609215993)

REBEL SOLDIERS END BLOCKADE (TANJUG): Rebellious Serbian soliders withdraw tanks from streets of Banja Luka after Bosnian Serb leader Karadzic agrees to improvement of soldiers' living conditions, punishment of "war profiteers." (LD1709084293)

DIPLOMATIC

BOSNIAN CROATS REJECT CONCESSIONS (Zagreb Radio): Saying that "only 47 percent" of Bosnian Croats will live in the Croatian republic of Bosnia under peace plan proposed by international mediators, Bosnian Croat leaders reject making further territorial concessions to Muslims when peace talks resume on 21 September. Reacting to Muslim demand for access to Adriatic Sea, Croats claim to make up 88 percent of residents in Neum, Bosnia's only coastal town, while "only 196 Muslims" live in the town. (LD1609231293)

MILITARY

CROATIAN ARMY, SERBS TRADE CHARGES: TANJUG reports Krajina Serbs accused Croatian Army of shelling Knin, threatened to retaliate on Zagreb. Zagreb Radio calls report "another in a series" of Serbian "provocations," accuses "terrorist Serbian units" of carrying out artillery attack themselves "in order to blame the Croatian Army." (LD1709002793, LD1709113093)

HUMANITARIAN

BOSNIAN GOVERNMENT TO INVESTIGATE MASSACRE (Sarajevo Radio): Bosnian Government denounces massacre of Croatian residents of Uzdol, announces "urgent investigation." (AU1609194993)

Izetbegovic Comments on Talks With Clinton

AU1609184593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 16 Sep 93

[Statement by Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, in Sarajevo on 16 September—recorded]

[Text] [Words indistinct] our minimal demands to the (?two sides) in the course of these negotiations in Geneva. These demands primarily concern the corrections to the maps of eastern Bosnia and Krajina, and the Bosnian Republic's outlet to the sea. These conclusions and proposals also incorporated certain political proposals in the political part of the document which concern democratic relations in the future union, primarily the right of all political parties to conduct their activity throughout Bosnia-Herzegovina.

Our requests regarding the maps were not accepted. Therefore, we did not sign the Geneva package. However, we did express our readiness to continue negotiations and to continue our activity in the negotiating process. Following this, I first went to Turkey, and then to the United States. After that I went on to New York, to the UN Security Council. I followed this with a visit to three Islamic countries; Saudi Arabia, Iran, and Kuwait.

The main point of the discussion with President Clinton concerned the United States' participation in implementing the possible future agreement. Of course, we discussed other issues as well; for example, the United States' participation in the future rebuilding of Bosnia-Herzegovina, its pressure on the other two sides—the Croatian and Serbian—to give in to our justified demands. However, the focus of the talks was on the United States' participation in the implementation of the possible agreement. I would assess these talks as being successful. As you know, President Clinton informed me that the United States would most likely take part in implementing the agreement, but under the auspices of NATO, not the United Nations.

As you know, this corresponds to our stances, our positions, which we expounded on at the Assembly session. President Clinton was very clear and straightforward in expressing the United States' readiness to take part in rebuilding the destroyed Bosnia-Herzegovina. I also expressed our stances in the UN Security Council. I accompanied this with numerous critical remarks directed at the Western countries' behavior in this unfortunate war in Bosnia-Herzegovina.

I paid a visit to four Islamic countries because I still believe that the situation in Bosnia-Herzegovina is an eminently Muslim issue. It is my firm belief that the aggressor's main goal was to obliterate the Muslim people. Therefore, I deemed it necessary to draw the Islamic world's attention, the attention of the Muslim countries, to this issue. I believe I have been successful in this. This is yielding results and it will continue yielding results.

If I were to comment on a concrete issue which concerned... which I broached in talks with Turkey, for example, then it would be the construction of a refugee camp for our refugees on the Turkish coast. All these countries expressed their readiness to continue supporting Bosnia-Herzegovina. We also discussed the long-term participation of the said countries in rebuilding Bosnia-Herzegovina after the war. Maybe it is necessary that I comment on our delegation's behavior during the negotiations. Overall, the delegation had a joint stance, with the exception of Fikret Abdic, who proposed that we sign the Geneva package in its present form. I believed this stance to be counterproductive, and of course, we did not accept it because this would mean giving up extensive areas formerly populated by Muslims and subsequently ethnically cleansed; it would constitute capitulation, our capitulation to the aggressor.

Particularly unacceptable was his [Abdic's] stance that we should accept the map for central Bosnia as proposed by Mate Boban and his delegation. According to this map, we were supposed to give Boban Travnik, Gornji Vakuf, Bugojno, and to withdraw from these regions. Of course, Fikret Abdic will have to explain this stance to the people. Moreover, as you know, in the course of our visit we signed a so-called joint declaration with the Croatian delegation, the delegation of the Croatian state. This is a repetition of our attempt to end this senseless conflict, artificially instigated in Herzegovina by Mate Boban and his associates. It is also an attempt to halt the consequences of a disastrous policy which has caused overwhelming damage to the Muslim and Croatian people in Bosnia-Herzegovina.

We hope that this agreement will not share the fate of earlier agreements, which mainly ended up as dead letters. I demanded that we establish mechanisms for implementing this agreement. These mechanisms take the form of five working groups, each comprised of three members from each side. Yesterday I made a decision to appoint 15 members; for humanitarian issues, for refugees, for a cessation of hostilities, for regulating relations between two states, and so forth. On our side these groups will be headed by Foreign Minister Haris Silajdzic. The members of these working groups have already begun working today in Zagreb. Probably today, or tomorrow, they will go out into the field. Therefore, we have decided to move quickly, because time is an enemy of this type of agreement. They will try to halt the conflicts, to release people on both sides from concentration and prisoner of war camps, and to open the roadways for the unimpeded passage of convoys.

I wish to stress that the Croatian side also appointed 15 of their people for these working groups. They are headed by Mate Granic, deputy prime minister and foreign minister. Now we have to wait and see what will happen, how these groups, this operation will function. We can only hope that they will be able to accomplish something. We learned that the Serbian side is also interested in a similar agreement, therefore, in a cease-fire, an exchange of prisoners, and the opening of roadways for convoys. We have already had certain talks regarding this.

In any case, the essence of our efforts is directed at gradually calming the situation in order to put an end to the suffering of people in Bosnia-Herzegovina. Finally, I wish to say that yesterday I parted with Mr. Ganic who has been invited to visit several countries in the Far East. He is leaving today. As far as I know, he will visit Malaysia, Brunei, and Indonesia. These will be one day visits.

The conference cochairmen Owen and Stoltenberg proposed that all the sides should meet at Sarajevo Airport on Tuesday [21 September] in order to maybe sign the Geneva package. In connection with this, I wish to say that we did not reject this proposal. However, I wish to be completely clear; we will persevere in our demands, and of course, we will be very happy if the other two sides will be ready to accept these demands and thus clear the way for signing the package. I told Mr. Owen that I doubt that this business could be completed by Tuesday. He promised that he would apply a type of shuttle diplomacy, travelling from Belgrade to Zagreb, from Zagreb to Sarajevo, from Sarajevo to Pale, and so forth, in an attempt to solve this problem. I wish him the best of luck and success in this attempt.

Herceg-Bosna Against Further Concessions to Muslims

LD1609231293 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 16 Sep 93

[Text] The office of the president of the republic of Herceg-Bosna has reacted—in the form of a statement—to views that the Croatian side should be more cooperative in the talks on Bosnia-Herzegovina and make additional concessions to the Muslim side.

The statement reads: We ask ourselves—given the concessions we have already made—is it possible to give more? It then continues:

According to the latest map proposed in Geneva, only 47 percent of the total number of Croats in Bosnia-Herzegovina will live in the Croat republic of Herceg-Bosna, 70 percent of Muslims will live in the Muslim republic and 69 percent of Serbs in the Serb republic. Only 133,000 Muslims, that is 7 percent, will remain in the Croat republic of Herceg-Bosna, 256,000 Croats will live in the Muslim republic and 55,000 Serbs, about 4 percent, will remain in the Croat republic of Herceg-Bosna, while 150,000 Croats, 19 percent, will live in the Serb republic [in Bosnia-Herzegovina].

Out of the 30 largest towns in Bosnia-Herzegovina only two will be in the Croat republic of Herceg-Bosna—Mostar and Jajce; 19 towns will be in the Muslim republic and nine in the Serb republic.

Despite these and many other indications that Bosnian Croats have made the biggest sacrifice for peace, there are some who suggest that the coastal town of Neum should be given to the republic where there is a Muslim majority. There are only 196 Muslims in this town, Croats constitute 88 percent of the population and own 98 percent of the land which belongs to Neum.

Herceg-Bosna Endorses Tudjman-Izetbegovic Agreement

LD1609142393 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 16 Sep 93

[Text] The leadership of the Croat republic of Herceg-Bosna yesterday endorsed the agreement between Franjo Tudjman and Alija Izetbegovic [signed in Geneva on 14 September]. In an attempt to reach a just solution for peace that will be acceptable for all sides, the Croatian side calls for an end to human rights abuses, and to Muslim army attacks on Croatian people and areas in Bosnia-Herzegovina.

However, the Croatian side sees the agreement as an expression of good will on the part of the Muslim side, with a view to reaching a peaceful settlement of the conflict in the area.

Muslim, Croatian, UN Commanders May Meet 17 Sep

AU1609192693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 16 Sep 93

[Report by Enes Osmancevic]

[Text] Rasim Delic, commander of the General Staff of the Supreme Command of the Army of Bosnia-Herzegovina, met General Francis Briquemont, commander of the UN Protection Forces [UNPROFOR] for Bosnia-Herzegovina, in Tuzla today. Enes Osmancevic reports:

[Osmancevic] The main topic of the talks between the two commanders was the implementation of the latest agreement reached by Izetbegovic and Tudjman, and, in connection with this, a meeting with Milivoje Petkovic, commander of the General Staff of the Croatian Defense Council [HVO]. The Delic-Briquemont-Petkovic meeting could take place tomorrow, or the day after tomorrow, journalists were told today. The venue was not specified.

In his statement for Radio and Television of Bosnia-Herzegovina Rasim Delic, commander of our army, said that in the meeting with Petkovic he will discuss the implementation of the agreement that has been reached at the state level. We will not accept partial solutions. We will insist on the cease-fire in all regions where the clashes between the units of the Army of Bosnia-Herzegovina and the HVO took place. However, the HVO must find solutions itself in the areas where it is cooperating with chetniks, or rather, it must stop this cooperation, Commander Delic said.

Commenting on the importance of the Izetbegovic-Tudjman agreement, General Briquemont expressed the hope that in the meeting with Delic and Petkovic he will discuss all details regarding the implementation of what has been signed.

The meeting scheduled for tomorrow is very important, Briquemont said. We must secure cease-fire in Mostar and central Bosnia in order to facilitate free delivery of humanitarian aid.

During a brief meeting with journalists, in a reply to the question as to why UNPROFOR did not carry out its tasks fully, General Briquemont said that women and children often hinder UNPROFOR units. He mentioned Mostar in particular, when the presence of the peace forces was the only guarantee to the civilian population that the HVO fighters would not shell the eastern part of the town.

Forgetting all other cases of humanitarian convoys being stopped, General Briquemont, in a reply to the question on whether UNPROFOR will use forces to protect convoys, said: I am not here to shoot at people, but to protect peace.

General Briquemont appears to have forgotten that peace left this region in April last year. The commander of the peace forces for Bosnia-Herzegovina left Tuzla late afternoon.

Croat-Muslim Clashes Reportedly Continue

LD1609184793 Belgrade TANJUG in English 1722 GMT 16 Sep 93

[Text] Belgrade, Sept 16 (TANJUG)—Fierce fighting between local Croats and Moslems continued to rage in southern and central Bosnia-Herzegovina on Wednesday [15 September] and Thursday, despite a ceasefire agreement signed in Geneva on Tuesday by Croatian President Franjo Tudjman and Bosnian Moslem leader Alija Izetbegovic.

One Bosnian Croat trooper was killed and three others were wounded in clashes with the Moslems in Mostar, southern Bosnia-Herzegovina, on Wednesday night, Croatian radio said.

For weeks, between 10 and 15 civilians are being killed daily in the Moslem-held part of Mostar, Bosnian Serb military sources quote Moslem sources as saying.

The belligerents are trading accusations, carried by Croatian radio and Moslem-controlled Radio Sarajevo, of mortar and tank shellings of Mostar's localities.

Radio Sarajevo says that the Moslem forces seized a number of highly important strategic positions north of Mostar during the night.

Croat-Moslem fighting on Wednesday and Thursday was the worst around Gornji Vakuf and Vitez, in central Bosnia, Croatian radio and Radio Sarajevo said.

Radio Sarajevo quotes sources in the U.N. Protection Force (UNPROFOR) as saying the fighting at Gornji Vakuf on Wednesday endangered also British peacekeepers, who had to spend most of the day in shelters.

Croatian radio quotes the Bosnian Croat army command as saying that Bosnian Croat troops at Gornji Vakuf were forced to retreat at some sectors.

Two people were killed and 11 were wounded on Wednesday when Moslem forces shelled the Croat villages near Kiseljak (central Bosnia), Croatian radio says.

Radio Sarajevo quotes authorities in the Moslem part of Prozor in central Bosnia as saying that authorities in the Croat part of the town had expelled 270 Moslems on Monday and Tuesday.

The remaining Moslems say that the Croat authorities have banned all public practice of Moslem religious rites, including ceremonious burials, which now have to be conducted by night.

The Bosnian Croat army is razing and torching civilian facilities in central Bosnia, Bosnian Moslem army sources say.

Radio Sarajevo says that the Bosnian Croat army has again blockaded all roads, making it impossible for humanitarian convoys to go through.

Croats and Moslems, former allies in the war against the Bosnian Serbs, have been fighting fiercely in south and central Bosnia-Herzegovina for months for territories with mixed Croat-Moslem populations. About 50,000 troops of neighbouring Croatia have been fighting on the side of the Bosnian Croats since the outbreak of the war 18 months ago.

Croatian Shelling of Mostar Districts Reported

AU1609144093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 16 Sept 93

[Text] We received a report from Mostar just prior to the beginning of the broadcast.

The savage aggression of the bold extremists against the positions controlled by the Bosnia-Herzegovina Army and against the city of Mostar continued in the past 24 hours. All types of heavy weaponry were used along the entire length of the demarcation line. The fiercest fire was directed at the central city core, on the right and left banks of the Neretva River, which were shelled several times from all types of weapons. At least 25 mortar shells were fired at the zone of the Centar Operative Group, particularly along Santic Street.

In the zone of responsibility controlled by the South 1 Operative Group, at least (?11) tank shells were fired against Blagaj and the surrounding villages. Another 13

120-mm mortar shells were launched against the very center of Blagaj. The enemy Croatian Defense Council [HVO] forces, aided by the regular Croatian Army, fired at least 30 tank shells at the districts of Dracevice, [name indistinct], and Kocine, while their mortars fired another 15 shells of the largest caliber.

There was no peace in the North Operative Group where the enemy artillery fired 50 shells against the central parts of Bijelo Polje, used a Zis [expansion unknown] to launch another three shells, and a tank to launch a further two. As we report this, the city is quiet, but several shells landed on the city's central districts on the left bank of the river, at a moment when Radio Bosnia-Herzegovina, War Studio Mostar, began broadcasting its (?special) program in honor of the first anniversary of its existence. The station was introduced last year, after the HVO proclaimed the former mutual Mostar Radio to be its radio station. For a whole year now, this radio has been the only source of truth in the occupied and besieged part of Mostar, and the only route for information that can be trusted. This was the Mostar Press Center for Radio Bosnia-Herzegovina.

Army Command Distances Itself From Atrocities

AU1609194993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 16 Sep 93

[Text] Following the reports in some domestic and foreign media on a massacre of 29 civilians in the village of Uzdol in the Prozor commune, the General Staff of the Supreme Command of the Armed Forces of the Republic of Bosnia-Herzegovina has issued the following statement:

As known, the Army of the Republic of Bosnia-Herzegovina is only conducting a defensive and liberation war in order to defend the freedom and independence of the Republic of Bosnia-Herzegovina and protect people threatened with brutal aggression. In this war, despite horrific crimes committed by the aggressor primarily against the civilian population, revanchism and revenge are alien to the members of the Army, because of the aims and righteousness of the war that they are waging.

All efforts of the General Staff of the Supreme Command point in that direction. Therefore, we resolutely dissociate ourselves from all actions that are not in line with these commitments.

The General Staff of the Supreme Command has ordered an urgent investigation to establish truth and facts. The public will be informed about the results and the possible culprits will be prosecuted.

UNPROFOR Demands Punishment

LD1709034193 Belgrade TANJUG in English 1935 GMT 16 Sep 93

["Pool" item]

[Text] Belgrade, Sept 16 (TANJUG)—The United Nations Protection Force (UNPROFOR) for the former Yugoslavia on Thursday demanded expedient punishment for the perpetrators of the Moslem massacre on 34 Croats in the village of Kriz, near the town of Prozor in the central part of the civil war-wrecked Former Yugoslav Republic of Bosnia-Herzegovina. The village of Kriz is located close to the front line between Moslem and Croat forces.

The statement, published in Kiseljak, the seat of the UNPROFOR for Bosnia-Herzegovina, strongly condemned the massacre, and the UNPROFOR director of civilian affairs, Cedric Thornberry, demanded of the competent authorities to undertake an urgent investigation and punish the perpetrators.

The statement further said that the 34 victims, whom the British members of the UNPROFOR have found, were massacred in a Tuesday morning's Moslem attack on Kriz. It further added that about 70 to 100 Bosnian Moslem army members participated in the attack. They took the fit men to the front line only to return and massacre the innocent people with daggers and saws while burning their houses to the ground. The feeble elderly, women and children, who could not escape, were massacred in a most cruel way.

The UNPROFOR also said that the Bosnian Croat forces, under whose control the village was, were conducting an investigation, the results of which would be reported to the UNPROFOR commander, General Jean Cot, and the newly-founded U.N. war crimes tribunal.

The Croats and Moslems were allies against the Serbs at the start of the already seventeen-month-long war in Bosnia-Herzegovina. Since the spring, however, they have been fiercely fighting for control of the territories with mixed Moslem-Croat population in central Bosnia and Herzegovina.

Tanks Withdraw From Banja Luka Following Agreement

LD1709084293 Belgrade TANJUG Domestic Service in Serbo-Croatian 0736 GMT 17 Sep 93

[Text] Banja Luka, 17 Sep (TANJUG)— Following last night's agreement between the September '93 crisis headquarters and the state and military delegation of the republic of Srpska in Bosnia-Herzegovina, it is now absolutely certain that armored vehicles are withdrawing from the streets of Banja Luka after an eight-day blockade.

Armored personnel carriers and other vehicles are gathering in Kralj Petar Prvi Street at the exit from the town, and citizens are moving about the town freely.

Last night was completely quiet.

Although the details of the agreement between the crisis headquarters and the republican leaders will, as has been announced, be released at a news conference which is to be held, it is already known that all demands put forward by the disgruntled soldiers have been accepted. These demands refer to the improvement of the living conditions of the soldiers, invalids, and families of dead soldiers, and to the resolute persecution of all those who have broken the republic of Srpska's laws.

Additional political demands will be reviewed by legal state bodies according to regular procedures.

Blockade Ends

LD1709130893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1115 GMT 17 Sep 93

[Text] Banja Luka, 17 Sep (TANJUG)—Representatives of the September '93 crisis headquarters announced the end of their action at a news conference held today. Following the end of the action, military equipment is being withdrawn from the streets and the authorities are resuming their role.

The crisis headquarters representatives announced that they have agreed with president Karadzic that social and other demands be fulfilled through the republic's institutions, and that no state or personal revenge will be taken against the participants in the action.

The September '93 crisis headquarters as of today becomes the committee for monitoring the realization of demands.

Political Demands Abandoned

AU1609173693 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 16 Sep 93

[Report by Branislav Bozic from Banja Luka]

[Text] The talks between the state delegation of the Srpska republic and the crisis headquarters of the September 93 action, which is holding Banja Luka under a blockade, are still in progress near Banja Luka. Details are not known at this moment, but it is quite certain that some agreements that were reached last night were not carried out today. This primarily refers to the one on the withdrawal of military hardware and personnel that are controlled by the crisis headquarters.

No one knows whether this will happen after this second round of talks. The situation in Banja Luka is fairly tense because all this has been going on for too long. There are more and more rumors, which, in the absence of correct information, threaten to cause what no one right in their mind would like to see happen, namely incidents.

This afternoon, Ljubomir Bajevic, member and spokesman of the crisis headquarters, held a news conference at which he said that the crisis headquarters is abandoning all political demands and is returning to its original demands of the social nature. He promised that he will subsequently explain the reasons for presenting political demands the day before yesterday.

Military hardware and personnel that is under the command of the crisis headquarters are still in the town. Curfew will go into force in two hours. There are fewer and fewer people in the streets. Some persons that were arrested by the crisis headquarters have been released. It is still not known how many people are being detained and where they are held.

U.S. Ambassador Discusses Problems in Central Bosnia

LD1609233993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 16 Sep 93

[Text] Bosnian Deputy Prime Minister Hadza Efendic today received U.S. Ambassador Victor Jackovich at the Bosnia-Herzegovina Presidency.

Over the past couple of days, the U.S. ambassador visited the free territories of central Bosnia where, he said, the local population has been relying on its own resources. Jackovich said he was carrying very favorable impressions from his visit to Visoko, Kiseljak, Zenica, Travnik, Kakanj, and Kraljeva Sutjeska, but nevertheless, stressed that this was just an isolated territory.

Although this is a large territory, it is still a blocked and isolated area. I personally believe that the international community should be dutybound to lift the blockade of this region and open these roads to normal humanitarian aid supplies and commerce. For, when we speak of central Bosnia, we are referring to the heartland of Bosnia—Bosnia has several heartlands, but this is the industrial heartland of Bosnia-Herzegovina. The international community has at its disposal the means for the implementation of this task; it is only a question of whether they will resort to it or not. We must not forget that winter is nigh and that we are in a race against time, U.S. Ambassador to Bosnia-Herzegovina Victor Jackovich underlined.

Bosnian Deputy Prime Minister Hadzoa Efendic, expressed satisfaction with the U.S. ambassador's interest in the delivery of supplies to Bosnia-Herzegovina, especially power and natural gas supplies to Sarajevo and the regions of central Bosnia, which is crucial for survival in wintertime.

Of course, we also discussed details of the resumption of the negotiating process aimed at the soonest possible establishment of peace. There are no outstanding differemces in view between us concerning the conditions for reaching a lasting peace, Hadza Efendic pointed out.

Victor Jackovich stressed in the end that he greatly admired the Bosnian Presidency's efforts invested in the resolution of the problem of refugees in the region of central Bosnia. We must always bear in mind that refugees are not a natural occurrence. Refugees are the first consequence of this war, and we must take their welfare into account. I have visited several refugee camps where food is in short supply and living conditions are extremely austere. Nobody is well off. That is why I must repeat that it is up to the international community to break through all blockades and enable life to return back to normal, Mr. Victor Jackovich said.

Aid Convoy Stopped in Zvornik, Proceeding to Gorazde

LD1709032393 Belgrade TANJUG in English 2005 GMT 16 Sep 93

[Text] Zvornik, Sept 16 (TANJUG)—A UNHCR convoy on Thursday crossed from the Federal Republic of Yugoslavia to the Serb republic in Bosnia-Herzegovina, and proceeded towards the Moslem enclave of Gorazde in eastern Bosnia after a routine check in Zvornik.

Ten trucks of the U.N. High Commissioner for Refugees (UNHCR) are carrying 89 tonnes of flour and 684 kilograms of yeast, and is escorted by a Swedish team and a member of the Medicins Sans Frontieres on board two all-terrain vehicles.

The Bosnian Serbs have also this time guaranteed free movement of the convoy through the Serb republic, Bosnian Serb military sources said.

Bank To Add Zeroes to Old Notes

AU1709120193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 17 Sep 93

[Text] On the free territory of central Bosnia there are large quantities of still bundled-up 10-dinar banknotes printed in (?Celje). As it has not been possible to bring the paper needed to print new bonds [bon] from Split for a long time, there is a serious shortage of money.

The National Bank of Bosnia-Herzegovina has adopted the technical solution to this problem by adding four zeros to the (?Celje) 10-dinar notes, the region of central Bosnia would thereby be supplied with the needed 70 billion dinars. This has been learned by B-H Press at the National Bank of Bosnia-Herzegovina.

With the consent of the National Bank of Bosnia-Herzegovina, the Region of Zenica has independently ensured paper for 30 billion dinars worth of printing bonds, so in addition to the 70 billion dinars that would be created by printing an additional four zeroes onto the (?Celje) dinars, [words indistinct] of 20 billion, and 20 billion will remain in reserve.

Battles for Strategic Kupres Region Predicted

93BA1440F Belgrade POLITIKA in Serbo-Croatian 25 Aug 93 p 8

[Article by Dusan Kecman: "Kupres Is the 'Umbilical Cord of the Balkans'"]

[Text] Kupres, 24 Aug—After the news that in the proposal of the maps offered by cochairman Owen and Stoltenberg Kupres would pass over to Herceg-Bosna, the leaders of this little town at the southernmost point of the Srpska republic are calmly reasoning among themselves while they wait for President Karadzic to come and explain to them what the world wants from the Serbs in the former Bosnia and Herzegovina for them to be recognized as a republic in the future union.

Everyone has had enough of war, it is felt even here.

From the Kotromanices to this day, the Serbs have not had a state in these parts. They did have that spiritual state under Emperor Dusan. Following the line of the Gomjenica Monastery, the monastery in Martin Brod, and all the way to the Krka and Zadar, as the westernmost borders of Orthodoxy. But today they have an occasion, according to the last proposal from Geneva, to finally register on their own majority territories in the former Bosnia and Herzegovina as a real state, runs the thinking on the Kupres Plateau concerning the proposed maps.

It is in that light that Mitar Maric, president of Kupres Opstina, thinks out loud.

"I can understand everything. That we really have an occasion to get a state, and finally, in that distribution, when it is looked at a bit more broadly, to see what all those territories mean. Some can be kept, others cannot. In some, it is better for the people to move if they have somewhere to go. A state is a state, however large it is.

"As the president of Kupres Opstina, I do not have the right to think about moving," Maric says, and adds:

"Those of us from the Janjska Region, I am referring to Jajce, Mrkonjic Grad, Sipovo, Glamoc, and Srbobran, must jointly decide where Kupres will be.

"Kupres has always been a town with a Serbian majority, and it must remain within the Srpska republic. We understand everything, and although we do not know what is expected of us, we only know that for 16 months now of brilliant and very rapid military combat in this civil war, the battle for Kupres, we have nowhere to go from our homes," President Maric says and "recalls" pictures from history with the words:

"Since the time of the Turks and beyond, we have been the majority nationality here, up until this very day. That is what was written by Ivan Prend Jukic, as well as Vjekoslav Klaic, the former a well-known monk, Franciscan, and historian, and the latter the well-known Croatian historian—the chronicles of the Kresevo and Sutjeska monasteries always mention Kupres and the villages around it as Serbian places. Also in the first Austro-Hungarian census in 1885, the population in this area was more than 70 percent Serbian. And in 1939 the census showed 12,880 Serbs, 8,000 Croats, and 1,000 Muslims in the city of Kupres, which at that time was really a big place," President Maric said in his "historical" survey, emphasizing that in that year, 1939, the

Kupres Plateau had about 175,000 sheep; just before the war about 30,000, and even now there are more than 20,000 sheep here.

"We have nowhere to go, nor do we have any intention of going," says Nedeljko Zubic, chief of the public security station.

"Especially because we do not have the right to go, because innocent civilian victims died here at the hands of those same neighbors as in World War II. We know that the Croats will not give up Kupres without a fight. This is a place where they want to erase any Serbian trace, to erase the traces of their crimes in the last war and this one. On 3 April 1992, the regular Croatian Army, along with local people from Kupres, committed genocide in the Serbian village of Donji Malovan. Both the old and the young were murdered. Our neighbors raped a 12-year-old girl and then murdered her and cut her to pieces. They have beaten old women with a maul, and they cut up one boy into pieces on a butcher block. That is horrible. But more horrible than that is what the neighbors did, the Vilas, the Medices, and others like Bozo Rajic, whose ancestors did the same thing here in World War II. So, those are our neighbors from Kupres," chief Zubic recounts, emphasizing that when the negotiations are conducted with the Croats, Mate Boban and Bozo Rajic, who was later defense minister of Bosnia and Herzegovina under Izetbegovic, and vice president of the Herceg-Bosna HDZ [Croatian Democratic Union], and president of the Kupres HDZ, of all the territories mentioned only Kupres.

"Why Kupres?" asks Mitar Maric, and he answered out loud: "Kupres and the Kupres Plateau are the umbilical cord of the Balkans. From here, you can hit everything around with artillery fire. From Sipovo, Jajce, the Becac Hydroplant, even Banjaluka, not to mention Mrkonjic Grad, Livno, Duvno, Donji Vakuf, Travnik, Bugojno, and Glamoc. Forces were supposed to land on that plateau to help the regular Croatian Army as support for a breakthrough toward Banjaluka in order to cut Bosanska Krajina in two parts to the Sava, which would have sealed the fate of the Knin Krajina. That is why Boban and Rajic are always complaining only about Kupres, which General Stanislav Galic, then a colonel, liberated in seven days at the head of the 30th Division in a brilliant wartime operation, the fastest since the conflicts began in the former Bosnia and Herzegovina. Gen. Lisica also took part in the operation on one side, and Gen. Mladic was also involved in liberating the city itself," says Mitar Maric, opstina president.

"On Friday, we have a meeting of the leaders and deputies of the Janjska Region. We will be talking about what is expected of us and we will be waiting for President Karadzic and to hear from him," concluded Mitar Maric, president of Kupres Opstina.

Serbs Confirm Croatian Withdrawal From Villages

LD1609203493 Belgrade TANJUG in English 2012 GMT 16 Sep 93

[Text] Knin, Sept 16 (TANJUG)—The general staff of the army of the republic of Serb Krajina (R.S.K.) confirmed on Thursday night [16 September] the Croatian Army's withdrawal from the Serb-populated villages of Citluk and Divoselo, which it had captured on September 9 and 10 in the latest aggression on the R.S.K.

The Croatian Army launched an aggression last Thursday on the R.S.K. in spite of the fact that its territory is a United Nations protected area (UNPA), capturing Serb-populated villages near Gospic, in the sector south.

That was the third aggression of Croatia on the R.S.K. The previous two were in July of 1992 and January of this year.

Croatia accepted on Tuesday the agreement for the withdrawal of its forces from the villages captured in the latest aggression, but has failed to respect the withdrawal deadline.

The R.S.K. army general staff ordered on Tuesday a unilateral ceasefire in order to facilitate the Croatian Army's withdrawal from the three occupied Serb villages until Wednesday 6 P.M. (16:00 GMT).

Simultaneously with the Croatian Army's withdrawal, the United Nations Protection Force (UNPROFOR) has started to deploy its troops along the front line, the delimitation line before the aggression.

The peace-keepers have again been "greeted" with Croatian infantry fire, said the Serb military sources.

The same sources have also confirmed that Croatian infantry and tank units were withdrawing towards Gospic, while leaving razed villages behind them.

The R.S.K. was formed in late 1991 on Croatian territories populated with Serbs as a response to the secession of the Zagreb regime from the former Yugoslav Federation.

Serbs Say Tudjman Requested Cease-Fire

LD1609214193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1914 GMT 16 Sep 93

[Text] Knin, 16 Sep (TANJUG)—The command of the Serb army of Krajina [SVK] today issued a statement in which it pointed out that Croatia had been forced to request a cease-fire, because units of SVK Kordun and Banija Corps—in response to the aggression—had begun to shell military targets throughout Croatia.

The first to request a cease-fire was Foreign Minister Mate Granic followed by Franjo Tudjman personally—in his capacity as Supreme Commander of the Croatian Army—as a statement issued by SVK chief headquarters says

Granic and Tudjman, the statement says, requested a cease-fire and an end to military operations from the commanders of the Kordun and Banija Corps and a promise to withdraw their forces from the villages of Citluk and Divoselo.

The Serbian side, it was stressed, was aware of earlier tricks by the other side, but it nonetheless agreed to withdraw Croatian units from the villages peacefully.

The SVK command claims that Croatian losses in men, combat technology, and other equipment were enormous, but no details were revealed in the statement.

Croatia suffered the biggest losses near Generalski Stol where, the statement reads, a battalion of the 7th Brigade of the Croatian Army had been decimated. Columns of Croatian soldiers moving toward battlefields near Samobor, Kutina, Ivanic-Grad, and Dugo Selo also came under fire.

The military source in Knin also claims that the mass migration of civilians from Karlovac, Sisak, Duga Resa, Osijek, and other towns was due to the SVK's powerful military operations.

However, there are no official figures in Knin yet about losses on the SVK side, but unofficial reports speak of 50 killed and eight imprisoned fighters.

Official figures will undoubtedly be released, given that an investigation had been ordered into the reasons behind the poor resistance of SVK members in Citluk, we read in the statement. The investigation is under way, but lack of discipline, cowardice, theft of fuel from tanks, can already be seen as the reasons for the above—and this cannot be justified under any circumstances.

The statement also says that it can already be ascertained that the conduct of individuals and attempts on the part of paramilitary and parastate groups to break up the system of power and defense, lack of discipline, destructive behavior, and cowardice, played a very important role in the Divoselo tragedy.

Among the individuals who contributed to such a situation, SVK chief headquarters mentions Rade Cubrilo and David Rastovic, president of the Donji Lapac municipal assembly, who encouraged desertion and worked on organizing paramilitary forces far away from the front while demonstrating bravado.

The investigation into the situation following Croatia's aggression against the villages of Citluk and Divoselo, and the subsequent occupation of these villages, will take into account other responsible persons and commanders in this area, we read at the end of the SVK chief headquarters statement.

Shelling of Knin Area Reportedly Continues

LD1709002793 Belgrade TANJUG Domestic Service in Serbo-Croatian 2334 GMT 16 Sep 93

[Excerpts] Knin, 17 September—The Croatian Army launched an artillery attack on the wider area of Knin, the capital of the republic of Serb Krajina, at around 2215 on 16 September. Attacks were simultaneously launched on Gracac and Benkovac, which was pounded with particular ferocity. [passage omitted]

The attack on Benkovac is still in progress. More than 100 shells landed in the town since 0100. According to initial reports, two children have lost their lives in Benkovac. There have been no reports yet on the consequences of the Croatian attack on Gracac.

Immediately after the impact of the first shells lobbed at Knin, the sirens went off and the citizens descended into their bomb shelters. [Serb Krajina] Interior Minister Milan Martic addressed the citizens over Radio Knin, saying that the attack should be accepted as a reality.

The main headquarters of the Serb army of Krajina has lodged an energetic protest with UNPROFOR's [UN Protection Forces] command, threatening to target Zagreb if the attacks on Knin continue.

Defense Ministry Denies Report

LD1709113093 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 17 Sep 93

[Text] The political department of the Croatian Defense Ministry has said that the media of the so-called Yugoslavia, especially TANJUG news agency, today broadcast reports that the Croatian Army launched an artillery attack on Knin and the surrounding area. We have learned from information sources in the area that this is another in the series of provocations by the so-called Knin authorities.

In fact, it is correct that Knin and the surrounding area came under artillery fire, but the attack was carried out by terrorist Serbian units in order to blame the Croatian Army for it and use it as a pretext for their further aggressive intentions toward Croatian towns and civilian facilities. This was said in an announcement of the political department of the Croatian Defense Ministry.

Almost 50 Serbian Fighters Killed in Recent Clashes

LD1609205893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1952 GMT 16 Sep 93

[Text] Knin, 16 Sep (TANJUG)—In battles around Divoselo and Citluk, which have lasted several days, between 45 and 50 members of the Serb Krajina army were killed, the Serb Krajina army main headquarters reported this evening.

The bodies will be handed over at the UN Protection Forces checkpoint near Otocac tomorrow.

The same source said that eight Krajina fighters and 15 civilians—imprisoned during Croatia's aggression against Krajina on 9 September—were kept in a prison in Rijeka.

More Attacks in Biograd, Zadar Reported

LD1609223893 Zagreb Radio Croatia Network in English 2105 GMT 16 Sep 93

[Text] More attacks have been reported in the Biograd and Zadar regions this afternoon. After hitting Biograd with a dozen shells around three this afternoon Zadar also came under Serbian artillery fire shortly after 1800 hours in the evening. Fresh material damage was inflicted, but there were no casualties.

German Envoy Warns Croats Against Renewed War

LD1709040493 Belgrade TANJUG in English 1938 GMT 16 Sep 93

[Text] Zagreb, Sept 16 (TANJUG)—An all-out military operation against the Republic of Serb Krajina (RSK) "would be a major mistake" which could cost Croatia "an immediate imposition of international sanctions," German Ambassador in Zagreb Horst Weisel has said.

In an interview to the Zagreb weekly GLOBUS, Weisel said Croatia "should be patient and consistently follow the way of a political solution." He said that the Federal Republic of Yugoslavia "has much stronger military equipment than Croatia" which "would probably drag Croatia into a new war."

On September 9, Croatia mounted a fresh attack on the U.N. protected RSK and seized three Serb villages in sector south.

Like in the aggression last January, Croatia again ignored the U.N. demands to withdraw its troops from the occupied villages and violated the UNPROFOR-sponsored agreement signed on Tuesday, under which it was to pull out from the RSK by 6 p.m. (1600 GMT) Wednesday.

RSK's Jarcevic Says Kozyrev Statement Insulting

LD1609185393 Belgrade TANJUG in English 1737 GMT 16 Sep 93

["Pool" item]

[Text] Belgrade, Sept 16 (TANJUG)—Foreign Minister of the republic of Serb Krajina (RSK) Slobodan Jarcevic has cautioned his Russian colleague Andrey Kozyrev that a statement he made in Zagreb on Tuesday [14 September] "has profoundly upset and hurt the feelings of the Serb people."

In his letter to Kozyrev on Thursday, Jarcevic singles out Kozyrev's words saying that he was observing the territorial integrity of Croatia, presuming here also the RSK within the boundaries of this ex-Yugoslav republic.

Pointing out that "the RSK, with all characters of the state, has existed three years," Jarcevic recalls that President Tudjman of Croatia "has tried to annihilate or expel the Serbs and incorporate Serb territories into an ethnically pure state of Croatia."

Jarcevic writes to Kozyrev: "You are committing yourself to the minority rights of Serbs in Croatia, while there are no longer any Serbs in Croatia's ethnic territory." Jarcevic recalled that 120,000 Serbs have escaped to the territory of the RSK.

Jarcevic says that U.N. Secretary General Butrus Butrus Ghali, in reporting to the Security Council on May 15, also testified to "this monstrous plan by the Croatian Government," when he said that "the Croatian Government had expelled 251,000 Serbs from cities to the RSK and to the Republic of Serbia, not counting in those sent to other countries in Europe and elsewhere."

Jarcevic recalls that in World War Two Nazi puppet "independent state of Croatia," 1 million 250,000 Serbs were killed.

It is the duty of the international community to protect Serbs and help their state, the RSK, said Jarcevic in noting that "this holds good especially for the great powers among which the Russian Federation plays a salient role."

The RSK was proclaimed by Serbs within the administrative boundaries of Croatia in the territories where they make up majority population, as a response to the Croatian authorities" secessionist policy and an attempt to reduce the status of Serbs to that of a national minority.

The Army of Croatia on three occasions, in June of last year, and on January 22 and September 9 this year, carried out aggressions against the RSK although this is a "UNPA," the United Nations protected area.

Hadzic Threatens To 'Reconquer' Osijek, Vinkovci

AU1609123193 Belgrade POLITIKA in Serbo-Croatian 15 Sep 93 p 9

[Report by S. Veric: "Hadzic: Realistic Demands for the Return of Osijek and Vinkovci"]

[Text] Erdut 14 September—In the event that Croatia continues to violate the agreements signed, the Serbian side will announce a counteroffensive of wider dimensions that will also include the towns of Osijek and Vinkovci.

"It is clear that the Serbian side will have to change tactics in the case of such Croatian disobedience. It is perfectly evident that our natural needs for the Serbian towns like Osijek and Vinkovci are now becoming a reality," president of the Serbian republic of Krajina Goran Hadzic told POLITIKA today.

Hadzic said that the placement of these towns under Serbian control will be demanded by political means initially. "If this cannot be accomplished.... then it is clear that we will have to reconquer and liberate these towns of ours."

Describing the situation on the Serbian territories in Slavonija, Baranja, and western Srem, Hadzic said that there was no need "for artillery duels" and provoking of casualties on both sides. If the action does take place, he said, "this will not be merely an action for the sake of shooting and diverting attention, but it must be an offensive that would result in territorial gains for the republic of Serbian Krajina."

Serbian Leader Dragan Announces 'Large-Scale Offensive'

AU1609142193 Vienna WIENER ZEITUNG in German 16 Sep 93 p 3

[Interview with "Serbian guerrilla leader Kapetan Dragan" by Richard Schneider; place and date not given: "Dragan: A Great Deal of Blood Will Be Shed"]

[Text] After the most recent escalation of the fighting along the cease-fire line between the Croatian mainland and the Krajina occupied by the Serbs, the Serbian guerrilla leader "Kapetan Dragan" considers an escalation of the war nearly inevitable.

In an APA telephone interview from Belgrade, Dragan announced a large-scale Serbian offensive in the near future.

In Krajina, Dragan commands an elite unit of 750 soldiers who are drilling Serbian fighters, preparing them for the fight at the front at a training camp near Benkovac. According to Serbian indications, a total of 90,000 men are under arms in Krajina.

[Schneider] Heavy fighting has broken out near the towns of Zadar, Gospic, and Karlovac. Is this the third round in the war between the Serbs and the Croats after the hostilities of the spring of 1991 and the beginning of 1993?

[Dragan] I do not know what is happening in Karlovac. The fighting near Gospic and Zadar was provoked by the Croats, but it is limited to a certain area. In any case, the offensive shows that the Croats are not interested in a political solution in Krajina. They only know violence and will not know anything else in the future. Thus, renewed hostilities and an expansion of the war between the Croats and the Serbs seems unavoidable.

[Schneider] In this connection, serious allegations have been leveled against the UNPROFOR [UN Protection Forces] troops deployed in these areas. Do you support these reproaches?

[Dragan] Well, the UNPROFOR has once more failed as a mediator. Yet after what happened in January, we Serbs did not expect anything else.

[Schneider] In an interview, Croatian President Franjo Tudjman threatened the Krajina Serbs with a merciless military subjugation if they do not accept the Croatian Government.

[Dragan] One thing is certain: The Krajina Serbs will never live voluntarily under a Croatian president. Moreover, the Croats must first prove that they can defeat us militarily. In any case, a great deal of blood will be shed before that.

Rejects Threats Against Europe

AU1609142393 Vienna KURIER in German 16 Sep 93 p 3

[Report by Richard Schneider on interview with "Serbian Guerrilla Leader Kapetan Dragan;" place and date not given: "Krajina Serbs: We Will Never Live Voluntarily Under a Croatian President"]

[Text] At the theater of war in Bosnia, Croats and Muslims have reached a new agreement on a cease-fire—to be implemented on Saturday noon at the latest. Presidents Tudjman and Izetbegovic signed a cease-fire on Tuesday night. As far as the confrontation between the Croats and the Krajina Serbs is concerned, fighting subsided on Wednesday: The Krajina Serbs called a 24-hour cease-fire to give the Croatian troops the opportunity to withdraw from three villages captured last week. An interview with the Serbian guerrilla leader "Kapetan Dragan" granted to KURIER journalist Richard Schneider shows how fragile this agreement is. Dragan controls about 750 Serbian elite soldiers.

—On Croatia's course: "In any case, the offensive shows that the Croats are not interested in a political solution in Krajina. They only know violence and will not know anything else in the future. Thus, renewed hostilities and an expansion of the war between the Croats and the Serbs seems inevitable."

—On the Krajina Serbs: "One thing is certain: The Krajina Serbs will never live voluntarily under a Croatian president. Moreover, the Croats must first prove that they can defeat us militarily. In any case, a great deal of blood will be shed before that."

—On support from Belgrade for the Krajina Serbs: "I am sure that we will receive help if we should need it. Yet I believe that the army of the Serbian Krajina, which comprises 90,00 armed men, is strong enough to defend itself."

—On the threats of radical Serbian leaders vis-a-vis Europe: "I am certainly not willing to attack any town in Europe. Not even Zagreb—let alone London, as General Mladic once suggested, because Britain has always been an ally of the Serbs."

—On Seselj's radical course: "I do not think much of Seselj. Unfortunately, every nation has its fascists—and Serbia has Seselj. Yet Seselj does not speak for the majority of the Serbs. He is a sick man who is being given too much attention by the international public."

Susak Receives UK's Armed Forces Minister

LD1609122593 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 16 Sep 93

[Text] Gojko Susak, the defense minister of the Republic of Croatia, today in Zagreb received Jeremy Hanley, the British minister of state for the armed forces. Following their talks, Minister Hanley described his talks with Minister Susak as very significant, as a contribution to the efforts to improve relations between the United Kingdom and Croatia.

We are grateful for the Croatian Government's efforts to allow us to set up our base in Split, in order to carry out our part in the UN humanitarian action, Hanley said. The other reason for my visit was to find out about the real situation in Bosnia-Herzegovina and about the ways of establishing peace in the entire region including Croatia, the British minister said.

Minister Susak said that during the talks, the British minister had voiced concern over the way the conduct of British soldiers in Bosnia-Herzegovina was being presented, which they [the British] thought did not reflect the real state of affairs. Croatia has done its utmost to provide accommodation at Divulje near Split and to meet their other demands. They are satisfied with this, Susak said, and went on to say that during the talks some problems had been resolved which had not been interpreted either by the media or in the field in the way they should have been.

Minister Susak announced that he would visit the British battalion in Split, adding that the battalion would also be visited by General Praljak, commander of the Croatian Defense Council General Staff, who would try to establish contacts with the battalion's's commander in Split. I think that many problems which surfaced in Vitez and other locations in Herceg-Bosna will be resolved, Minister Susak said after his talks with the British minister of state for the armed forces.

Destruction of Multiethnic City of Zadar

93BA1431C Belgrade VREME in Serbo-Croatian 23 Aug 93 pp 27-28

[Article by Gojko Marinkovic (Aim): "The Eighth Madness"]

[Text] "Where are we and what shape are we in today when, for the seventh time, Zadar lies demolished to the ruins in the middle of this Latin-Greek-Islamic madness, when there is not a roof in this country that has not gone up in flames?"

How much truth, how much prophecy, how much bitterness and cold rationality there is in this sentence which Miroslav Krleza wrote way back in 1944. That was the time when Zadar experienced yet another of its great calvaries, when it was turned into a heap of ruins under the burden of allied bombers which 80 times unloaded their lethal cargo on a city which formally was Italian, but it was known that after the war it would belong to socialist Yugoslavia. Zadar fared then the same way it had when none other than the Crusaders looted it when they set out for the Holy Land with the pope's blessing. Being a Christian city did not even save it, because this was a reward for the holy warriors. But Zadar has always managed to rebuild, because its geopolitical position is extremely important. It was always the door to Dalmatia and the center for the underdeveloped, but nevertheless rich, hinterland. When freedom came in 1945, it had several thousand inhabitants, but it grew steadily and quickly. It became one of the most important industrial, tourist, and cultural centers in Croatia, and it became the fifth largest city in the Republic. They called it a city of youth in that socialist style. And its former mayor, who then became a professor of sociology, politics, and religion in the School of Philosophy at Zadar University, a deputy in the Assembly, and one of the enfants terribles of Croatian politics, and then Yugoslavia's ambassador to the Vatican, and now Croatian ambassador in Rome, Dr. Ivica Mastruko, used to say that this is the only city without its grandfathers. This was a city that had a strange mixture of boduls (islanders) and Vlajs (people from the interior, Bukovica in particular). Quite a few Herzegovinians and Dalmatians also streamed in here from other cities seeking work or education here, and probably no other place had as much army as this one. A dozen garrisons, a military academy, several army schools. From that motley mixture, citizens of Zadar had to be formed, and to some extent they have already begun to develop their own recognizable and specific speech. But the year 1971 showed that the American model of the melting pot would not succeed in Zadar. Passions caught fire. The strongest chapters of Matica Hrvatska and the Serbian cultural and artistic society Prosveta were operating in this city. When Tito smothered the "Croatian spring" and calmed passions with an artificial purchasing of a high standard of living, the conflict, the enmity, even the hatred smoldered between the Croats and the "riscani," which is what they call the Serbs here. But even that was not so open or on such a large scale until after the Eighth Meeting and the antibureaucratic revolution in August 1990, just a few months after the victory of the HDZ [Croatian Democratic Union] and the primitive answer to the theory of blood and soil, the log revolution "occurred." For almost 14 months, there was a state of neither war nor peace, and then in 1991, after the JNA [Yugoslav People's Army] withdrew from the city, the fierce attacks on the city began.

Tudjman's Strategy

It was, I recall, the end of August 1991. A few workers were loading into a truck one of the best-known beauties of Zadar, the sarcophagus of Saint Simun. Somewhat amazed, I wondered—Why are they doing that? Who, after all, is so crazy as to attack those ancient churches in Zadar? But I was wrong. On the other side, they had their plan. The shells and rockets infallibly hit the industrial facilities, but with equal precision all the cultural and historical structures as well. They hit the city walls and both city gates. The Holy Mary Abbey, the Church of Saint Simun, the Saint Stosija Cathedral, the Sacred Arts Museum, the Turkish Tower.... Thanks to its somewhat sheltered position, Saint Donat, that symbol of the city, remained untouched.

Zadar has been experiencing its difficult days in the eighth Latin-Greek-Islamic madness. Three gods are too many on such a little bit of land. The number of dead has never been published, because for some strange reason the Croatian authorities have always concealed it or understated it. There has not been a day when 100 shells from various weapons and guns did not fall on the city, and then a temporary peace came after arrival of the UNPROFOR [UN Protection Forces], with occasional "provocations" from both sides. But in January Tudjman and Susak conceived Operation Maslenica, which yielded certain military, but, above all, "promotional" results, because elections to the Zupanija Chamber of the Croatian Assembly were coming closer: Tudjman came to Zadar in triumph and loathingly reproached its citizens because he said that they had nevertheless fared well in this war. And that "well" signified constant shelling, three years without water and only a few hours a day of electricity, isolation from the world, and almost being driven off into the sea.

The News—Nothing New

This time, the HDZ did not celebrate as it did in 1990. Croatian TV did not manage to convince Zadar's citizens of Tudjman's three miracles: achievement of independence and sovereignty, liberation of three-fourths of the territory, and an economic boom which simply had not yet caught fire. And how could it when in Zadar, with small interruptions, the general danger has persisted since January, when there still is no water, when electricity is a luxury, when half of industry is not operating, when there is hardly a single tourist in the entire city? Zadar today for those who know it well from earlier, is an almost empty city in which there are a variety of camouflage uniforms, and power plants are rumbling in the old kalete.

It is difficult to understand from where and how, but almost all the more significant cultural monuments are being restored or have already been restored, and when in the well-known Kolina, a little cafe in the center of town which is a gathering place for journalists and those who think well of themselves, you ask what is new, the poet Tomislav Bilosnic will resignedly answer you: "Nothing, and that is the best news."

All who have money have settled into safer places. They have rented weekend cottages or houses in neighboring Privlaka, Nin, Vrsi, or on the islands. But all the houses and weekend cottages have not been lucky enough to become capital. Almost all the Serbian houses, especially those belonging to people who joined the Krajina rebels, have been blown up. About 10,000 Serbs lived in the city itself before the war, and now there are only about 300 of them according to certain calculations. Under the cloak of revenge and anger, although there actually was that, and it was justified, the Serbian weekend cottages were blown up, but before that they were thoroughly looted, in the same way as this happened with Croatian villages and houses which were in the borders of Krajina. The police had a hard time dealing with the dynamiters, and usually the press releases on some destructive exploit would end: perpetrator unknown. But soon there were no more Serbian weekend cottages, and then it was the turn of the Croatian cottages. The booty was carried away in trucks, if not with the blessing of the military police, at least they looked the other way. I recall last summer. I asked the SLOBODNA DALMACIJA bureau chief why they did not write about the demolitions, because I myself had the night before seen a house turned into a heap of brick and concrete? To which he replied: Didn't they teach you long ago that it is not news when a dog bites a man, but only when a man bites a dog?

Divisions

But it nevertheless came to an end, because someone remembered that the displaced persons would have to be moved into those weekend cottages. Again, the first ones were the Serbian cottages, and then in order, especially those belonging to people from Zagreb. After all, in Zadar, as in all of Dalmatia for that matter, there is so much hatred of the capital that it has become all but the personification of evil. People do not know that Zagreb is not to blame, because even it is barely surviving, but Tuskanac. There, in what was formerly Tito's villa, and is now the president's palace, King Franjo rules his empire, he alone deciding what the weather will be.

All of Croatia breathed a sigh of relief when the Erdut agreement was signed concerning the Maslenica Bridge, the Zadar Airport, and the Peruca Power Plant, but the people of Zadar had their doubts. They knew where their army was and it would not be so easy for it to abandon its positions, they knew that the opening of the airport was nothing but a farce and they prepared for new rations of artillery shells, they knew there would still be no electricity and water, that the city would be empty at 2200 hours, when all the restaurants have to be closed, and it is not very wise to walk through the city at night. Life here is worth 1 mark. That is what a bullet costs. So that is how it turned out. No miracle lasts more than three days, including the Maslenica Bridge. And then Tudjman decided to tunnel through Velebit and shorten the road from Zagreb to Zadar, but although that day the city was full of police, especially around the restaurant in the city marina, Tudjman did not appear in the city. He did not dare to risk faring as he did at one time on Poljude in Split.

And during all that time the city was divided in various ways. Some people said that the Serbs should be brought to their senses by force of arms, that a move should be made against Knin and they should be shown, and the response to the word "living together" is: Never again! Others, on the other hand, think that this war can be won only by peace and patient negotiations, however tough the other side may be. What has happened to that enthusiasm and mass support for Tudjman is perhaps best indicated by a story from Nin, the first Croatian capital, 16 km from Zadar, where in the first election the HDZ garnered the immense majority of the votes. Of about 1,600 inhabitants of that little town, there were 12 of them at the Assembly of the HDZ. Between these two extremes, most were people who are resigned and who without hesitation or fear ask in public: And why did we fight and die?

A few month ago, a young man died in Zadar, an employee of the Bureau for Urban Planning, Cedo. Everyone knew he was a Serb, but this was one of the biggest funerals ever remembered during the war by this city, which has such a bloody story to tell about Latin-Greek-Islamic madness.

Background of July Unrest in Occupied Regions

93BA1439D Zagreb DANAS in Serbo-Croatian
24 Aug 93 pp 14-15

[Article by Goran Nuhanovic: "Logs Once Again in Mirkovci"]

[Text] Immediately before the celebration of "22 July, the date of the liberation of Mirkovci," the day on which two years ago the local chetniks ambushed and killed 12 members of what then was the Guard of the Republic of Croatia, dawn came upon barricades in the streets of Mirkovci. During those days, Croatian scouts were reporting groups of armed local people who were taking up combat positions in the direction of Vukovar and other occupied villages around Mirkovci. The peasants were also joined by "policemen from the Vukovar SUP [Secretariat for Internal Affairs]." Even the "11th Krajina Corps" turned a deaf ear to appeals from Knin "that order be restored." A rebellion had begun among the Serbs of eastern Slavonia.

Although short-lived (two weeks), the dissatisfaction that overflowed into rebellion clearly showed how thin the line of cooperation is between the Serbs of Knin and the Serbs in the so-called SAO [Serbian Autonomous Oblast] of Slavonia, Baranja, and Srem. The fuse was lit when the purchase price of wheat was dropped from the promised 27 to a miserable 8 pfennigs per kilogram.

Following a harvest that was difficult to carry out because of the shortage of fuel for combines and tractors, a harvest which, incidentally, was far below the average this year on the occupied parts of Baranja and Slavonia, the Serbs there felt that they had been greatly deceived. The Krajina authorities, headed by "Minister" Martic, hoped that manipulation along the lines of "sacred Serbism even if we have to eat the soles of our shoes" would once again be an analgesic for all dissatisfactions and the Slavonian granary would unreservedly save the hungry Knin Krajina from total collapse. That accounts for the press release which at that time was constantly repeated on Knin television, alluding to the consciousness of the Serbs: "...We cannot but note here that farmers in eastern Slavonia are not completely aware of the situation...today, refusal to sell wheat is tantamount to betrayal of Serbism. All misunderstandings need to be resolved in a civilized way, and there is no reason for an uncontrolled display of dissatisfaction, which unfortunately the brothers in Vojvodina have been unable to avoid."

The rebellion culminated when the peasants in Mirkovci were joined by soldiers of the "11th Krajina Corps." The appeals of Milan Martic, "minister of internal affairs of the Serbian republic Krajina [RSK]," that the Army restore order and peace were discretely ignored by Bogdan Sladojevic, the corps' commander, as well as by commanders of brigades within the corps: Major Budimir Sasa (who holds the Nustar-Antin-Markusica-Pacetin axis) and Colonel Dzolovic (he holds the Ceric-Djeletovci axis). The motivation of their rebellion, expressed in a telegram sent to Belgrade, was the constant lateness in the payment of salaries, and, above all, failure to pay the war supplement which is being received by paramilitary formations in Lika and Dalmatia. For example, in June salaries of soldiers of the "southern krajina" were about 25 German marks [DM], while for members of the "krajina police" in Mirkovci they were DM10 less; more precisely, at that time they amounted to 30 million krajina dinars. That is why this year and last year, according to the testimony of some of the exchanged Croats, members of Serbian formations quite often abandoned forward combat positions without authorization. As a rule, the reaction to that in "krajina" was an issue of funds to intervene from the NIK [Krajina Petroleum Industry], which is exploiting the petroleum of Djeletovci. The krajina leaders in Knin have tried to play that same card again, but this time they were opposed by the employees at NIK.

A Krajina Within the Krajina

In mid-July, the workers of what certainly is the only profitable firm in "krajina" spontaneously supported the rebellion of the peasants and army in a gathering in front of the NIK administration building in Mirkovci. According to the news carried by Radio Vukovar, they singled out among their demands the demand that the smuggling of oil be combated, and in this connection they openly accused "Sheikh Arkan" as the main dealer in petroleum refined in Pancevo. This was the first time a demand was heard that instead of the "Krajina Petroleum Industry" an independent "Petroleum Industry of Eastern Slavonia" be founded to, they said, "sell petroleum in Knin, in Banja Luka and Belgrade, and to all who want to buy it and can pay for it."

At that point, Goran Hadzic, accompanied by chetniks armed to the teeth, came to Mirkovci under cover of night. He promised the embittered people of Mirkovci that the problems with oil, salaries, and grain would be solved "in the very near future." At about the same time, Mile Martic arrived at the Vukovar SUP and from there issued a threat to Vukasin Egic, president of "Mirkovci Opstina," that he would "send Arkan's Tigers and special police units of the krajina to smother the rebellion unless you are able to settle the issue." The "minister" certainly did not dare to go to Mirkovci in person, and he very quickly went back to Knin. Hadzic's promise calmed down the excited passions. Work was resumed at the drilling rigs in Djeletovci after two weeks of idleness, some of the rebellious soldiers went back to their positions, but the peasants remain the most resistant. Fear of the coming winter and quite possible hunger at the expense of "some Knin and Obrovac out there" could not be dispelled by the laconic promises of compromised and self-styled leaders. Especially because stories are going around among the Serbs in eastern Slavonia and Baranja (their truthfulness could not be established) to the effect that Arkan and Dafina Milanovic, more precisely Dafiment Banka, are organizing the sending of grain to Knin, and this is allegedly taking place even via Hungary. The most obvious evidence presented for this smuggling is the recent removal of the entire "customs staff" in Baranja and the unceasing "orders from the krajina government to the local authorities that they increase their vigilance because of the rise in all kinds of crime and especially unlawful forms of trade with the territory of the FRY [Federal Republic of Yugoslavia] so as to nip in the bud and interdict all kinds of war profiteering."

The Battle for Bare Survival

On the eve of 22 July, Mirkovci was nevertheless calm. Zeljko "Arkan" Raznjatovic, surrounded by some 15 of his Tigers and certainly accompanied by his cutthroat dog, came from Belgrade to the celebration of the "liberation of Mirkovci." As a pledge to pacifying the rebellion, he distributed freshly printed money from his briefcase to the people of Mirkovci (on 23 July, he delivered over Radio Mirkovci several demagogic and emotionally colored speeches that the next day he would set out to "hunt down the ustashas"). Then, in their own cowardly style, opening fire from an antiaircraft machine gun and several heavy machines guns, they killed a Croatian soldier, 29-year-old Davor Lelinic, while he was doing his routine task of observation with a telescope in the immediate vicinity of Ban Jelacic Street in Vinkovci. Arkan's mission in Mirkovci can be considered successfully completed. The first intra-Serbian rebellion since the beginning of the aggression against

Croatia passed without a bullet being fired. Nevertheless, the story is still far from the epilogue. The worm of suspicion, mutual distrust, and finally the battle for bare survival will determine the further trajectory in krajina relations, which by all appearances will be downward. Serbia, the southern and central parts of "krajina," will certainly not easily allow a "krajina within the krajina," any sort of very strong form of autonomy, especially not in the light of present aspirations to "unify all the Serbian krajinas." Goran Hadzic called attention to this most directly when he issued the public warning of the existence of paramilitary formations in his "state" and in his appeal to the Supreme Command of the krajina military forces to deal with them.

The regions rich in economic potential like eastern Slavonia and Baranja are today reasoning altogether differently than they did a year ago, the prattle about solidarity with the Knin and Bosnian Serbs has lost its previous magic power. Some kind of peace has prevailed in those areas for a year now. Speculation is now beginning on a market basis with the "Krajina Petroleum Industry" in the lead. Serbian peasants in the occupied regions have attempted to earn something by selling grain, but they will have to carry their cross to the end. Their very willingness, expressed in negotiations with the zupanija authorities in Croatia, to sell grain to Croatia, and to do so for Croatian dinars, unambiguously indicates that certain elements among the east Slavonian and Baranja Serbs are trying to extract certain concessions from the Croatian authorities with conciliatory tones. Although the hypothesis seems rather insane, things in the field are following an essentially different course. The system of "Serbian krajinas" based above all on crime, corruption, and looting, has been breaking down from within since its inception. Vukovar remains a large fire site in which no one wishes to invest, Beli Manastir is a "dead end," it lives in the interval between power restrictions, and a barter economy is replacing payment with money. The villages are deserted. Old women dressed in black have remained. All illusions are being buried.

Seks on HDZ Factions, Opposition

93BA1439E Zagreb DANAS in Serbo-Croatian
24 Aug 93 pp 8-10

[Interview with Vladimir Seks, Croatian deputy prime minister, by Zeljko Luburovic; place and date not given: "I Am the Lightning Rod of the Croatian Democratic Union"]

[Text] Journalists hardly need any particular occasion for an interview with Vladimir Seks, Croatian deputy prime minister. That is, Seks himself is an occasion, but not only for journalists. Seks' name is also on the list of HDZ [Croatian Democratic Union] members most often called to account by the opposition. In this interview, we attempt to learn why that is the case and what Vladimir Seks thinks about it all.

[Luburovic] The opposition's old doubts of the Vance Plan are being confirmed by rejection of the Croatian demand for the mandates of the UNPROFOR [UN Protection Force] in the former Yugoslavia to be separated. The Croatian Government responded to the opposition at the time by saying that there was no choice. Will the incumbent party soon be making that answer to the opposition with respect to the policy toward Bosnia and Herzegovina?

[Seks] If the expression "other way out" is used, that means that it was the judgment of the HDZ that at that time this was imposed by a particular set of lines of force and circumstances. It is in that sense that we should take this expression when I say that there is no other way out. If the HDZ judged at the time that it was not necessary and there was no possibility, that there was no need, for essential changes of direction either in domestic or foreign policy, that does not mean that a certain change of policy will not occur—if conditions come about and if that is the judgment. That is not being accepted for now, because the judgment of the HDZ is that that balance of power is not necessary for any change of direction. Second, it is a question of necessarily having to conduct policy consistently along its determining strategic lines.

[Luburovic] In other words, the HDZ is deliberately taking upon itself all the risk and full responsibility for pursuit of the strategic interests of the Croats in this area?

[Seks] Yes, it is. It assumed that in the elections, it is assuming it in its political tendency. It thereby takes the risk for all the consequences of the decisions made.

[Luburovic] Even Drazen Budisa said the other day in Osijek that he accepts the political struggle, the gauntlet that has been thrown down. Can we soon anticipate an intensification of the political struggle in Croatia in view of the fact that Bozo Kovacevic has announced that he will even go into the streets? Is there really so much dissatisfaction with the HDZ's conduct of policy?

[Seks] It depends on who you are talking about. Croatia can only benefit from the continuous profiling of political opposition views as contrasted with the views of the HDZ. But also from a more specific statement of those views. The opposition is a part of the political system, a part of the democratic rules of the game, and there are no obstacles whatsoever either to remaining silent or to taking up fierce advocacy of a change in the policy dictated by the HDZ, that is, in favor of inauguration of one's own views and policy. Not, however, in the manner proposed by Mr. Kovacevic.

[Luburovic] But in some other way?

[Seks] They have to know that elections are the factor that gives legitimacy to political power. They must wait patiently for a new chance. But Mr. Kovacevic says that within the law he will take the pulse of the people toward the policy of the HDZ in public demonstrations. However, anyone who advocates that must realize that this is not taking place in a bell jar. He must see the possible consequences that could occur in a country being subjected to warfare, an immense number of refugees and displaced persons, in which a bloody provocation could occur.

[Luburovic] You said a bloody provocation?

[Seks] Yes. In Croatia, there are enough people to whom it has offered asylum who would be ready through demonstrations to attempt to do something that would result in bloodshed.

[Luburovic] You are referring perhaps to the Muslims?

[Seks] It is not precluded. It is not precluded that those with a hostile attitude toward Croatia might try to take advantage of such demonstrations. When something takes place that is not in keeping with the democratic order of things, if an uncontrolled crowd is created, then it is possible that bombs might be placed. There are people who are ready to do that.

[Luburovic] The opposition will say why, then, have we not reached some consensus to prevent that from happening?

[Seks] They are impatient.

[Luburovic] Is the IDS [Istrian Democratic Conference] the leader in this?

[Seks] I would like to see any state that would tolerate people saying "we will call for people to disobey the laws." Whoever violates the law and whoever is reluctant to enforce it, the central power of government has the constitutional and legal basis as well as the moral legitimacy to stand in his way.

[Luburovic] Do you think that the tension between Istria and Zagreb is already approaching the point where the central government might react?

[Seks] I think that that will not occur, because that is more a political attempt to win over the parliament to adoption of a law in the desired direction.

[Luburovic] Yes, but the Istrians have already established a community of their cities.

[Seks] That initiative is quite legitimate and legal, in keeping with the law that allows associations to be formed.

[Luburovic] We see that there is a rather tumultuous debate between regional centers and Zagreb. Even you and Mr. Linic from Rijeka took part in one debate.

[Seks] I have not taken part in any debates, nor even in a discussion, but Mr. Linic insulted me very seriously, without any basis or reason. I hope that we will correct that, because I am not in favor of any exacerbation of relations. This has been raised to the level of a debate about centralization and decentralization. I think that that discussion will last for quite a long time in the future.

[Luburovic] What, then, is the dispute between you and Mr. Linic?

[Seks] This is a dispute created artificially. His view is that the HDZ, that is, Seks, is the personification of rigid centralization and an opponent of local self-government. Not only am I in favor of local self-government, but I have been trying to implement it consistently. It is just that it cannot be introduced by a decree. For example, the maritime law will give the opcinas at least another 50 percent of jurisdiction in self-government. So that is the question of creating an artificial dilemma. But the essence of Linic's statement is that he has been quite mistakenly informed about certain of my efforts to resolve the dispute with the Rijeka HDZ over use of the building, the offices of the party. I have talked to the zupan and the deputy zupan to resolve this in an appropriate and elegant way. However, Linic used expressions which do not deserve comment.

[Luburovic] It seems the easiest way to attack the Croatian Government and its moves is to attack Vladimir Seks. How do you feel in the position where all the arrows are aimed at you?

[Seks] I would not say that all the arrows are aimed at me. In a way, I am the lightning rod of the HDZ. I get into debates and discussions, and when you do that, you have to be ready to take some blows yourself. If you name names, then you have to be aware that the reproaches they do not want to make against the government or president of the Republic will be directed toward you.

[Luburovic] But the government nevertheless protected you with its press release.

[Seks] Because Mr. Linic used expressions which are rather insulting and slanderous and do not belong in any political vocabulary.

[Luburovic] Opinion is divided on whether that insulted you or the government, and whether the government should stand behind you or not?

[Seks] The government should have reacted, because he designated me as the personification of the policy conducted by the government. One of the coming government sessions will soon be held in Rijeka, and I think that we will discuss this, because this does not suit Rijeka, nor the government, nor me. I do not think that this would suit Linic either to artificially rise to that level, to artificially create a conflict between the central government and Rijeka, and to artificially create a personal conflict. I have never talked to him in my life. We do not need such conflicts.

[Luburovic] What about factions in the HDZ?

[Seks] In the HDZ, there are currents, tensions, and occasional conflicts between those who represent those currents.

[Luburovic] You have said that currents exist within the HDZ and those who represent those currents. Name the currents and those who represent them.

[Seks] In everything I have said to you, I have been trying to make it serve the preservation of party unity and thereby Croatian unity. I am not willing to make assessments of the currents nor to name the people who belong to those currents. I want all that resolved in the conference of the HDZ. Many people are in a certain current and represent a current which either has a more pronounced left-wing orientation or which has a pronounced right-wing orientation, or they belong to the central mainstream of the HDZ. Many people are actually nominating themselves as to their allegiance, or someone else is nominating them. It seems to me that someone's own will, own judgment, does not determine whether he is on the left, on the right, or in the center, but this is determined by his activity and behavior. And for that reason it would be premature to say anything, because things have not crystallized. Points of reference must be set up within the party, and it must be said: If you are for this decision, then people would have to fan out over a certain range of attitudes. At this point, people often think that they are something they are not. This should be crystallized before the general conference. The elections are over at the zupanija level. Knowing the results, the central current of the HDZ won the elections to the bodies of the party (at the opcina, city, and zupanija level), and it is especially important that that current has a majority of the delegates to the conference of the HDZ. That current won a share of 80 to 90 percent. That is the initial current of the HDZ, the initial grouping, the initial policy of the HDZ.

[Luburovic] Which means that from the new makeup of the presidium we might know which current prevailed?

[Seks] Yes, but you should be aware that there is still time for people to move from one current to another.

[Luburovic] Is the appointment of Drago Kupina as chief of the Political Administration of the HV [Croatian Army] the wish of the HDZ or...?

[Seks] The incumbent party must carry out certain political decisions and realize them through those in the government who have certain constitutional powers for certain personnel moves. The view of the party is reflected in that way. It is clear that in connection with the appointment of Drago Kupina neither I nor the Central Committee of the party would be consulted, nor will any public debate be conducted in zupanija, city, or opcina committees. When the president of the Republic names the person to make up a government, he is thereby crystallizing the will of the HDZ. It is another matter that he must have an advisory mechanism in order to ascertain whether that is the will of the major portion of the party and the interest of the party. So, on the basis of his constitutional role, the president of the Republic, the prime minister, or a member of the government represents the will of the party.

[Luburovic] The talk about misappropriations in transformation often uses the term unethical behavior. Can a law punish immorality?

[Seks] People in our country are wrong in thinking that the law cannot punish immorality. The Croatian Constitution, I think it is Article 18, says that the freedom and rights of a citizen may be limited, among other reasons, when this is in the interest of public morality. This is no Croatian invention at all. Such provisions are to be found in fundamental international documents regulating constitutional rights and human and civil liberties. Second, when the Croatian Assembly adopted the decision to sever governmental and legal relations with the republics of the former SFRY [Socialist Federal Republic of Yugoslavia], a law of the former Yugoslavia regulating that subject matter was taken over with certain innovations. The law contains four or five sections, and it proclaims to be immoral and impermissible all legal transactions that fall under the regime of contract law and are contrary to the ethics of society. Accordingly, when something is contrary to the morality of society, public morality, then that is legally punished. Third, there are moral sanctions which are not at the same time legal sanctions, when the law cannot say anything, but rather there is public scorn or condemnation of the community.

[Luburovic] Let us be more precise. The "Arcus case" in Valpovo is unique in that the person accused of unethical behavior and misappropriation is at the same time the mayor.

[Seks] I was right about that, but I did not want to become directly involved either as the vice president of the party or as the deputy prime minister, but I advised certain responsible people in Valpovo that Weissenberger should not be elected mayor because he represented certain property interests of Arcus Holding, which has certain business relations with the opcina. There is a conflict of interest when a person is an officeholder as the head of the opcina and at the same time is the coordinator, representative, of certain investors, to be in that kind of dual role, because it results in incompatibility. We were afraid that what happened would happen. That is a unique example, and it is unique in that he figured as the agent of foreign investors and a firm investing in Valpovo. This is a special case, because there was a certain symbiosis based on property. What will happen if a person who must represent the property interests of a firm (even if it is a foreign firm) must at the same time represent those same interests of an opcina? And that same person is sitting in one chair. Accordingly, a person who is playing chess with himself must be deranged, paranoid, schizophrenic. He can be the mayor, he may also be a co-owner or owner of a firm, but public relations must be clean, subject to public scrutiny, especially if it is concluding certain arrangements with the opcina. He must have the same chances as others. In principle, I take the view that officeholders in government should not at the same time be principals in business.

[Luburovic] Does that also apply to the family?

[Seks] It also applies to the family.

[Luburovic] And Mr. Mesic and his daughter?

[Seks] I would not comment on that.

[Luburovic] Finally, how will the war end? Some people say that the Serbs are not stronger than we are and we should therefore try to solve the problem militarily.

[Seks] For the present, Croatia has no support for such a solution.

[Luburovic] From whom does it lack support?

[Seks] Not only does it not have effective support from Europe and its associations, and also the United Nations and its Security Council, but a part of the world would react sharply to a Croatian decision to solve the problem militarily. And that is because it holds that a Croatian military action in this area would result in the involvement of other states in the war, and in that way it could become a kind of world war.

[Luburovic] You are alluding to the possible intervention of NATO units even against Croatian military objectives if Croatia tried to liberate its own territories with its Army?

[Seks] It would be hard to draw that conclusion, but in some extreme instance, if Croatia went against the explicit prohibitions of the international community, that could not be precluded. Although this is absurd: Croatia is liberating its own territories, but it would be blamed for starting a war in southeastern Europe.

Christian Democratic Chief on Rallying Opposition

93BA1439F Zagreb DANAS in Serbo-Croatian 24 Aug 93 pp 12-13

[Interview with Dr. Marko Veselica, leader of the Croatian Christian Democratic Union, by Neven Kruzic; place and date not given: "The Mafiosi Are Avoiding a Conversation"]

[Text] Dr. Marko Veselica has the reputation of being the "Croatian Mandela" and he certainly has become a legend because of his many years of imprisonment and public struggle for Croatia, but this did not bring him to a high official position in the Croatian state created afterward. Sociologists and historians will certainly reflect on why that is so. Today, Veselica is the top man in the Croatian Christian Democratic Union [HKDU], and recently he also assumed the role of temporary coordinator of the Croatian opposition, which in a new coalition wants to send a message about much of that to the people and to the incumbent party. Marko Veselica clarifies the objectives of that coalition.

"This association is not formal in nature, the opposition has come together because Croatia is today at a moment of destiny, and we concluded that this is a time when the best moves have to be made, because we are not certain that the mistakes that would be made now could be corrected. So far, not a foot of occupied Croatian land has been liberated, and it is obvious that something should be changed in the strategy. I have always said that in politics the effects have to be measured, and that only in this way can we talk about the quality of a policy, and measurements in this segment indicate the need for a necessary reassessment. So, the first objective of the opposition is through a clear analysis to find the best solution for liberating Croatia, because this kind of situation cannot last indefinitely, and we see that practice is tending to cement the situation. That fact is frustrating the Croatian people to the point where other adverse reactions are emerging from it: There is no business recovery, people are leaving us to go abroad, foreign embassies are overflowing with our young people who want to get out. The strategy of this kind of liberation of Croatia is also generating other negative elements, which is why we are seeking a reassessment of the present situation, and thus we also have a highly questionable mobilization system; while some people are waging war in the trenches, others are having a good time and making money. In a discussion with government representatives, we want to clearly analyze all the factors related to the liberation of Croatia, because our position is that there have been too many oversights here. The second issue is the attitude toward Bosnia and Herzegovina, because our position is that confederalization of that state does not suit Croatia. After the destruction and division of Bosnia and Herzegovina will come the destruction and division of Croatia. Third, we want to offer solutions that will halt the drop of Croatia's ratings in the world, which is obvious. So, in analyzing Croatian policy, along with a great number of good moves, the opposition finds that the Croatian Government has been making some moves which are altogether wrong. We are offering better solutions, and we want to present our proposals in a dialogue of arguments."

[Kruzic] There is constant talk about Croatia's reputation in the world being ruined. From where, for example, do you have clear knowledge of that, when the incumbent party is persistently saying that this is not the truth?

[Veselica] I will take as an example only the information that we have obtained in the HKDU. In the last six months, we have had 160 international communications, above all with Christian Democratic parties, many of which are in power in their states, but we are in contact with prestigious intellectuals and in general with representatives of government or people who are close to the government in other countries. Although these are mainly circles well-inclined toward us, we believe that Croatia has fallen into a trap with the division of Bosnia and Herzegovina, that such a policy is actually

Milosevic's policy and this is actually the English-French option to recognize the results of aggression. That is their fundamental objection, and they have told us openly that such a stance on our part destroys the favorable rating which Croatia had in the world, and they do not see in what respect such a policy is globally beneficial to the Croatian state. That is, they still remain our friends, but they cannot at the same time condemn Serbia and its allies for division of Bosnia and Herzegovina while our policy is zealously in favor of that same division.

[Kruzic] In the first meeting of the opposition, you called for representatives of the incumbent party to be present so that there could be a confrontation of arguments.

[Veselica] Yes, we did, but the HDZ immediately rejected all the objections of the opposition to the conduct and strategy of policy, saying that the present policy is the optimum one, which their emissary, Mr. Milas, passed on to us. They proved to be inflexible to the maximum, we were told that on the basis of the elections they have the legitimacy to conduct the policy which they now believe to be the optimal one. We do not think that that policy is great, and because in the last election the opposition represented 60 percent of the population, and in view of the present situation in the country, we think that dialogue is necessary. Certainly, I do not deny that they have legitimacy, but if they are going to take such a bristling stance, then it must be said that they received 42 percent of the vote, that is, only a million of the votes counted were for the HDZ. In such subtle moments, taking the statistics into account, it would be creative to at least talk to the opposition.

[Kruzic] Let us go back to the objectives of the temporary coalition of the opposition.

[Veselica] Simply, there are so many divisions in Croatia that we believe it is necessary to achieve consensus. We certainly acknowledge the results of the election, but we see that obvious mistakes have been made for months. I do not know why a grouping that represents 60 percent of the Croatian electorate would not have the right to point out those mistakes, and I do not know on what basis it is beneficial for Croatia not to have them corrected. Criminal and mafioso circles are being created, and nothing is being done against them. Our international reputation is falling, and nothing is changing. The occupied part of Croatia is not even a millimeter smaller. Bosnia and Herzegovina is being divided up, and in addition to the fact that we stand badly in the eyes of the world for that reason, we are also losing the Bosnian Sava Valley, which is hardly mentioned, we are losing central Bosnia, which is a historical disaster. We, that is, the Croatian opposition, are responsible to our people, and that is why we must present our view loud and clear.

[Kruzic] On what issue is it essential to achieve consensus?

[Veselica] Above all, on the question of waging war. The organization of the Croatian Army is obviously not appropriate to the needs of this moment. In addition to the unjust mobilization system, which acts as a disincentive, the trend is to throw out of the Croatian Army people who proved to be very valuable at the very outset of the war. This is impermissible for a small country like Croatia, because we cannot have 100 high-quality generals. People are not rags that you can just throw away. In addition, the selection of officers that came from the JNA [Yugoslav People's Army] is also questionable. There are, to be sure, quality and honest people, but there are also some of those others.

[Kruzic] What would be the second objective of consensus?

[Veselica] An integral and entire Croatian state, for which under no conditions, not even in allusions, can there be any question of bargaining with our own territory. That is absolutely impermissible. The talks of the Croatian Government with the rebellious Serbs that have been initiated must also be terminated, because they open up the possibility of legalizing the "krajina" as a state. We see that Croatia is persistently not finding a way of stopping that trend. Here again, the opposition offers certain proposals, but the government does not want to hear about a dialogue. Croatia must negotiate, and we agree with that, with those Serbs who recognize the Croatian state and have the confidence of their own people, but also of the Croatian people. Why be taken in by the trick of negotiating, which is always outside the territory of Croatia? At the same time, if we negotiate with criminals, then the Serbian propaganda machine immediately takes advantage of that, saying that we have indirectly recognized "krajina." We must respond to that, not pass over it in silence, because then it is logical for Mr. Curkin to come forth with those arguments.

[Kruzic] The third segment of consensus is certainly Bosnia and Herzegovina.

[Veselica] Right, we are definitively against division, because it is hard to find an analysis in which it is fruitful for Croatia. To be sure, the Croats are now waging war there against the Muslims, but we must always have one thing in mind, and that is this: Serbia is the aggressor and the real enemy of our state and of our people. The strategy to the effect that the Serbs are not our basic enemy results in a softening of their guilt. It is true that the Muslims are now committing crimes against the Croats and that the strategy is differently conditioned, but our negotiations with Milosevic and with Karadzic were above all immoral, and to make matters still more tragic, they have been altogether ineffective in practice. They have not brought back to us a single meter of Croatian land, and we have brought down the animosity of the world upon ourselves! I do not understand in what respect this is the "optimum policy." Croatian interests in Bosnia and Herzegovina cannot be assessed solely in terms of one of its regions, with less consideration being paid to the Bosnian Sava Valley or central Bosnia, because this cannot be in the Croatian interest. In the Bosnian Sava Valley, there were 180,000 Catholic

Croats, but they have no representatives in the negotiations. The Bosnian Sava Valley is mainly spoken of as the space for a future Serbian corridor, which is incomprehensible. At the same time, we have information from fighting men of the HVO [Croatian Defense Council] of the Bosnian Sava Valley that the present corridor could be cut, but they are being prohibited from doing so. That is, the opposition is seeking a dialogue about all this, and I do not know how it is possible to reject such a dialogue, because, whether we like it or not, people are thinking about all these issues and they do not have an affirmative attitude toward all these events.

[Kruzic] What specifically did you offer in that dialogue?

[Veselica] We offered an analysis of Croatian policy and a consensus in the further effort, a charter that would sketch out a global Croatian policy that would be better than the present one. We are not thereby undermining official policy, but we merely want to strengthen democratic processes and prevent a Croatian division. We simply want to explain to the Croatian people that the activities of the opposition are aimed at improving Croatian policy, which is evidently in crisis. The government is rejecting that dialogue, and they even made statements to the effect that we favor some kind of new Yugoslavia, whereby they were attempting to deceive the Croatian population. How can you tell people like Budisa, Gotovac, or Marko Veselica, who spent difficult years in prison for the Croatian state and against Yugoslavia, that they are working for a new Yugoslavia? Not only is this insulting, but they will not help Croatian policy in that way. Croatian policy is not negative across the board, but neither is it ideal. The opposition does not think of itself as being perfect, but the government is not perfect either. The people in power think that they are magicians, but reality refutes that. Certain mafioso circles in the Croatian Government have taken even that portion of authority to which they are not entitled, and they are the ones afraid of dialogue. When we call for establishing criteria concerning their performance, they tell us that the policy is optimal, but they do not allow it to be "measured." That is the typical bolshevik method. Fortunately, there are also reasonable and quality people in the incumbent party, and we expect an understanding for our proposals from them.

Banker on Cooperation With Islamic Countries

93BA1439G Zagreb DANAS in Serbo-Croatian 24 Aug 93 pp 26-27

[Interview with Ibrahim Dedic, owner of Promdei Holding and Promdei Banka, by Marko Franjic; place and date not given: "They Wanted To Make Me Out a Madman"]

[Text] *Ibrahim Dedic, owner of Promdei Holding and Promdei Banka, is the first private banker in Croatia. Opinions about him differ, but no one can dispute his success. Dedic's four years of business operation have been filled with conflicts and scandals. At one point, he was even taken into custody, and he is now suing the Republic of Slovenia on that account. Promdei's mobile currency exchange offices have already provoked debates, but Dedic is supplying another surprise with the news that the VISA card is coming to Croatia through his bank, although there were quite a few candidates, and cardholders will be able to use it to make payments abroad.*

[Franjic] How did you establish Promdei Holding and of what does it consist?

[Dedic] My four brothers and I had construction firms and 400-500 workers, and we were doing work in Croatia, Slovenia, and Germany. Our people are working in Germany even now. I established a private firm as soon as this was permitted, and after that some 10 more enterprises which are in the holding company and which are shareholders in the bank. We have almost all lines of business in the holding company, and we are also planning to set up a radio station. All the firms are supported by the bank, and I am the owner of it all. I have always wanted relations that are aboveboard, and with this kind of organization I completely control business operation and at any moment can check the bank's liquidity and the balance sheet of business operation.

[Franjic] How come you are the one to get the VISA card?

[Dedic] This has finally confirmed the importance of Promdei Banka in Croatia. It is a specific case. This is the first and only private bank, and I own it and run it. Promdei is not burdened with old foreign exchange savings and other problems like our other banks. Jugobanka previously had VISA, and after it the Bank of Vukovar. We met all the rigorous conditions of the International Visa Club in London, we have to be good for several million dollars and find 10,000 members in nine months. We will send our personnel to London for training. The VISA card can be used for making payments abroad, and foreigners will also make more purchases in our country, because they are used to using the cards. There are several types of card users. Owners of the gold card must have 100,000 German marks [DM] in the bank, but they can make unlimited purchases both in Croatia and abroad. We are planning to conclude contracts with certain firms for use of the VISA card just like American has. The smallest deposit for the VISA card is the dinar equivalent of DM300.

[Franjic] You mentioned some new financial engineering.

[Dedic] Pawnshops are new financial engineering; crime is again being concealed. To get a loan, you put up a car, a watch, gold, but the statement you make to get the loan is no guarantee that the item is really yours. All of a sudden so many works of art and gold have turned up that everyone else is startled how much of that there is in Croatia. The essential thing to most of those who pawn things is to get some money, because usually the goods are stolen. Everyone knows how pawnshops operate abroad—these are collateral loans based on a pledge, and they originated in the Italian province Lombardy. The owner of the goods that are pawned must be known, and the value of the goods assessed by some recognized institution. If the goods remain in the pawnshop, they must be sold at public auction, because the pawnshop cannot simply appropriate them.

[Franjic] Do you give mortgages?

[Dedic] We do make loans of that kind, but for registered real estate. These are bad loans in our country, because the regulations change frequently.

[Franjic] Have you come into the ownership of any real estate on the basis of a mortgage?

[Dedic] People are ready to mortgage the houses in which they live, but in that case we have a very hard time collecting our claims. These are usually big disputes.

[Franjic] The foreign exchange law has not yet been adopted. What do you think about our foreign exchange transactions and the proposed law?

[Dedic] Everywhere in the world you can buy foreign exchange in banks. Every firm can engage in currency exchange, but it cannot get into banking. The easiest thing is to open an exchange office—you put up DM500,000 and there you are, but for a bank you need a great deal of capital, and there are many controls. Banks must give 35 percent of the foreign exchange they purchase to the NBH [National Bank of Croatia] at the official rate. Every one of our banks has the right to put foreign exchange in correspondent banks, that savings is frozen in that usually foreign exchange loans can be taken on the basis of the deposit. If you have a deposit of 50 million, you can get a loan for that amount. If the funds went out of the country through our banks, we would not have to beg for loans as we are doing now, but we would get them on the basis of the deposit, and foreign exchange reserves could be $3-4 billion and not 1 billion. According to my information, DM650-700 million have gone out to Austria alone, although the rate of interest is even less than in our banks. The public should be told that the money they put in Croatian banks those banks can keep in a foreign bank and can be insured. There is no longer a fear that someone will take the money.

[Franjic] Several of your mobile currency exchange offices are already in operation, and you have announced more. The smugglers are complaining of competition, but people are not altogether sure what is going on.

[Dedic] We have five mobile currency exchange offices, but all banking business can be done in them. The law strictly defines this, a currency exchange office must be fixed in one place. We filed an application with the city authorities to provide us space for currency exchange offices. We have ordered another 20 vehicles in which we intend to employ disabled veterans of the homeland war. Our application will be decided by the NBH Board. Partners in the Netherlands and Germany are leasing vehicles to us with which we could set up all over Croatia. That would help to reduce the smuggling. Even now, we are having problems with smugglers who are standing even at the door of the bank. In Zagreb, there are several people getting dinars in unauthorized ways, and in some banks the personnel at the windows are telling people where they can buy foreign exchange. This is usually right in the bank lobby. If the customer does not want to buy foreign exchange where he is told, then he does not get dinars that day. They harass him that way for four or five days until he goes to buy the foreign exchange. This has been happening in large banks like Privredna Banka and others.

[Franjic] The new Croatian currency now has a name, it still needs convertibility. What do you think about that?

[Dedic] It is not the time for a new currency. First, inflation has to be brought down, foreign exchange reserves augmented (although even now they are large thanks to Mr. Jurkovic), and work needs to be done on exporting. People are living more now on humanitarian aid than production. What is more, the government should not have taken over old foreign exchange savings, because we know who took the money. They should also pay it back, rather than all of us taking on that burden.

[Franjic] Might we know how much tax you pay?

[Dedic] Last year, I made donations of DM1.32 million, but taxes are paid weekly, and there are various taxes.

[Franjic] You have announced a suit against Slovenia in which you are seeking DM36 million in damages. Is that still going on?

[Dedic] They want to settle with me. They wanted to destroy me in that affair, and that is why they locked me up. I will not agree to the settlement. One hearing has been held, and the second will be during September. I am seeking DM36 million, and that is not enough. If Slovenia does not agree, then we will try to get it in the International Court in The Hague.

[Franjic] You have also had conflicts with some people in the Islamic Religious Community.

[Dedic] That was a year ago. I cautioned the Croatian public about what is happening to the mosque in Zagreb. The gentlemen who were in KOS [counterintelligence]—Sabic, Plicanic, Ikanovic—wanted to destroy me. I pulled out a great number of people with me, warning them of the Muslim leaders who brought about all that is happening now and thereby humiliated the Muslim people, who have lived with the Croats for centuries. I am not aware that anyone can legally obtain a villa on Tuskanac and an automobile in one year, as Mr. Ikanovic has done, saying that Allah gave it to him. I was the first to raise my voice against their insolent behavior. They reported me to the police, who picked me up twice. They tried to make me out a madman, but I realized this in time. They wanted to isolate me even from the business world of the Islamic countries, which did not know the real truth. Last year, they almost killed me in the headquarters of the mojahedin, but they did not succeed. I am not afraid of them.

[Franjic] What kind of collaboration do you have with Islamic countries? At one time, it was said that they are investing a great deal of capital and also that your bank was established with their money.

[Dedic] I have good cooperation with them. Those countries have large capital in the United States, but also elsewhere. We have correspondent relations with banks in 60 countries, including the Islamic world. I get help in this from the World Bank and its president, Kemal Dervish. It also helped me getting the VISA card. They are afraid that the capital could be used to buy arms. As soon as the conflict stops between the Muslims and Croats, the capital will come, moreover without interest. With the programs I have, we could bring in about DM500 million.

Electricity Reduction in Dalmatia

93BA1439B Zagreb VJESNIK in Serbo-Croatian 24 Aug 93 p 2

[Unattributed article: "11 Hours of 'Darkness' in Dalmatia"]

[Text] Split—Beginning on Tuesday, the so-called zonal mandatory disconnection ceases in Dalmatia, and is again being introduced uniformly for the entire region. A daily reduction of 11 hours is being introduced: Power will be disconnected on a staggered basis from 0600 to 1700 and from 0730 to 1830 hours. Vojimir Dvornik, who heads the professional working team of the HEP [Croatian Electric Power Industry] for monitoring electric power consumption in Dalmatia, said this at a press conference in Split on Monday.

The meeting was attended by Vasilko Baldasari, HEP director for distribution, Bozidar Kolega, director of the management sector, and directors of Dalmatia's four distribution areas: Dubrovnik, Split, Sibenik, and Zadar. According to Vojimir Dvornik, the electric power system in this region continues to be overloaded. At the moment, all available sources of electric power are balanced on the assumption that they are in workable condition. That is, the amount of power that will be available in coming days will mainly be at the level of what we have had up to now. At the meeting in Split, they not only established the daily schedule, but they also refined the possible hourly production of electric power. The position of the professional working group of the HEP is that customers must have "lights" from 1800 to 2400 hours. The following were classified as volume customers—the distribution areas of Split and Zadar, part of Dubrovnik, Sibenik, all direct customers, and Herceg-Bosna, as well as Dalmacijacement, which has a separate contract with the HEP.

If any of the sources of electric power shuts down, changes in the scheduling of the reduction can be expected. If there are problems at night, customers can expect not to have power for two hours at the longest. The Dubrovnik distribution area is an exception to that reduction. Because of the limited capabilities for power transmission in central Dalmatia, the same applies to Omis and Ploce, assuming the sources there deliver full power to the network.

On Sunday, when the power plant at Ploce went off line, the electric power system was short 400,000 kWh [kilowatt-hours] per day, which is why Dalmatian customers were subject to a stricter reduction, which lasted all of 18 hours in the Split district!

Army Organizes Maneuvers Near Croatian Border

LD1609195393 Belgrade TANJUG in English 1926 GMT 16 Sep 93

[Text] Ljubljana, Sept 16 (TANJUG)—The Slovenian Army has raised the alert level in the area bordering Croatia and organized manoeuvres of its armoured-mechanized units "because of the renewed war conflicts in the proximity of Slovenia's southern border," stated the Defence Ministry of that former Yugoslav republic.

The war conflicts between Croatia and the Republic of Serb Krajina (R.S.K.) erupted last Thursday, following another, this time the third, Croatian aggression on the R.S.k., which is a United Nations protected area.

Slovenian Defence Minister Anez Jansa announced at the begining of September the possibility for stepping up of the defence of Slovenia's border with Croatia, similarly as the Italian Government has done along Italy's border with Slovenia.

Replacement of Intelligence Service Chief Rumored

AU1609152893 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 16 Sep 93

[Text] It seems that the rumors claiming the Slovene Security-Intelligence Agency [SOVA] will get a new chief continue to be topical. According to our information, the present agency chief, Silvan Jakin, who replaced Janez Sirse on 1 August, will soon be relieved of his duty. This is particularly interesting in light of a recent statement by Janez Drnovsek that the case in which Silvan Jakin, allegedly, unlawfully seized lawyers' documentation on one of the persons connected with the Maribor illegal arms' affair has been thoroughly investigated and that there was no reason for Jakin's replacement. Following this statement for our radio station, we have learned, the crime investigators of the Interior Ministry cross-examined numerous people involved in this case and concluded that Silvan Jakin, nevertheless, has overstepped his competence.

According to our information, the decision on the replacement was not passed at today's government session, primarily because they could not agree on who would lead SOVA instead.

Open Letter on Communist Vestiges in Country

93BA1429A Ljubljana DELO in Slovene 24 Aug 93 p 2

[Article by Niko Grafenauer, Mate Dolenc, Andrej Hieng, Andrej Inkret, Drago Jancar, Matjaz Kocbek, Lojze Kovacic, Vladimir Kovacic, Primoz Simoniti, Joze Snoj, Tomaz Salamun, Rudi Seligo, Dane Zajc, and Aleksander Zorn: "Determination"]

[Text] The independence of the Slovene state, which we Slovenes decided on through a plebiscite and implemented through the independence document, which was also followed by the Constitution of the Republic of Slovenia, adopted with great difficulties by parliament, is being constantly threatened by the underground political activity of the uncurbed structures of the former regime. That is a reality of Slovene postcommunism that is being revealed in a whole series of scandals and deviations, behind which are, more or less evidently, cliques or informal groups from the former establishment. Furthermore, it is precisely Slovene independence, along with the "uncontrolled" liberalization of social and economic conditions, an anemic legal system, and the corruption resulting from everything, definitely plays into their hands. In such a situation, of course, it does not surprise us that those secret power centers are trying once again to deceive the Slovene public and prevent any attempt to uncover their activity.

That is why it is also not a coincidence that all the affairs and scandals, so to speak, are "bottomless," although with every such occurrence the leading representatives of the authorities have a lot to say about what should be done to get to the bottom of it. It is probably unnecessary to list examples that prove this, since they are known to the public, and consequently the public must also insist that their criminal background really be exposed, and not be swept under the rug.

Of course, a decisive role is played in this by the Slovene judicial system, which is otherwise trying to prove with such haste that it is professionally sovereign and politically independent. Instead of actually proving that in practice and thus convincing us of the credibility of that self-characterization, we perceive quite the opposite. Thus, not one representative of that branch of government even stirred a little over the statement by Prime Minister Janez Drnovsek at a press conference on 20 April 1993, in which he said—quoted from from DELO, 21 August 1993—that it was "the government's desire to strengthen the functioning of the judicial system and give clear guidance to all judges and prosecutors about what takes priority, what they have to do, and what they have to investigate." That is why they are unanimously trying to defame Janez Jansa, who warned in connection with the arms scandal about the professional questionability of the investigative procedure in that case.

If the editorial office of SOBOTNA PRILOGA decided to devote an unusual amount of attention in connection with this to an assessment of Jansa's public activity and thus subject him, willingly or unwillingly, to the public's evaluation as an "example," the Slovene judicial system, which is headed by Miha Kozinc, a minister with a quite controversial reputation, is even more deserving of such attention. In fact, we can by no means claim that the Slovene judicial system is completely untouched by the "Nurenberg syndrome," as far as its independence from the former party regime is concerned; let us recall only the moral and political suitability of prosecutors and judges.

In view of the above, we consider the dispute between Kozinc and Jansa, which also implies a fundamental antagonism in the government coalition itself, to be both a political and a moral issue, which will also sooner or later determine the fate of this coalition.

Specifically, as long as we wonder primarily about who is uncovering the scandals and other social anomalies that are putting us, in the eyes of the world, in the risky position of some sort of Bantustan, i.e., just ahead of Kazakhstan, and not about the fundamental reasons for them, which also have those responsible for them, against whom appropriate and effective measures should be taken, we will also continue to have a latent crisis situation, which affects not only the executive branch, but also society as a whole.

Since the political, economic, and judicial spheres of the social organism have not yet been separated and institutionally isolated from each other, the state as a functional framework for that independence also cannot be appropriately saturated. That means that the state president, as the former head of the Slovene Central Committee, can also have a latently deposited party membership booklet, without people wondering where that obviousness actually comes from.

Federal

Aid to Serbs in Bosnia, Croatia Estimated

AU1609181193 Belgrade BORBA in Serbo-Croatian 13 Sep 93 p 7

[Report by B. Jager: "The War Conceals Facts"]

[Text] Distinct from some economists who distrust the amount of aid to the Krajinas [in Croatia and in Bosnia-Herzegovina] as stated by the federal and republic governments, there are opinions that the war and its consequences must be costing the Yugoslav economy even more than that which the state acknowledges, certainly no less. Officially it is estimated that 20 percent of the gross national product went as aid to the Krajinas in the last year, the same amount was spent in the first half of this year, while in the new economic policy measures that will be implemented by the end of the year, it is suggested that the aid should be reduced so that in 1993 the uneconomic outflow of national product to the Krajinas can be reduced to 12.5 percent.

In the Center for Development with the Federal Ministry for Science and Technology, where analysis and distribution of the national product have been made for Radoje Kontic's Cabinet needs, we were told that the total aid estimate for the Krajinas had been suggested from a higher position. Center experts were not able to work it out alone, simply because there exist no records on all the financial and commodity assistance sent by the FRY. That suggestion was also publicly confirmed several months ago by Jovan Zebic, deputy prime minister of the Federal Government, when for the first time officials started to publicly discuss the assistance being sent to the Krajinas, and that one-fifth of the Yugoslav national product goes into that fund, so that consequently, people are supposed to have understanding for internal economic difficulties and shortages.

Zeljko Simic, second deputy prime minister, confirmed in his statement to BORBA that the whole issue is about an estimate, rather than about a sum of exact figures derived indirectly by working out the gross national product.

We asked Dr. Ljubomir Madzar, who spent several months last year performing the function of the federal minister for agriculture, whether such estimates are realistic. According to Madzar, at the time of his posting one did not even try to explain aid to the Krajinas, this estimate has only been made public as late as July this year. "Because of the devastating hyperinflation any accounting is quite problematic; even this figure may be questionable," Madzar says, and adds:

"However, there is no reason to suspect that the government deliberately overestimated the amount of assistance to the Krajinas. Because of the international attitudes and accusations that Yugoslavia financially supports the war in Bosnia, the government has no interest in doing so. On the contrary! I think that the percentage has not been overstated, although it means that the Krajinas took even more than the total amount of all Yugoslav salaries; this amount was supposed to constitute 18.1 percent of this year's total national product. True, we do not have exact information on definite Yugoslav financial and material involvement in the Krajinas. It is obvious that there used to be other sorts of aid, not just humanitarian, since after the dramatic meeting in Pale when the assembly of the republic of Srpska refused to sign the Vance-Owen plan, the Yugoslav side officially stressed that all aid would be reduced to humanitarian concerns," Madzar reminds us.

Madzar bases his attitude also on the fact that in war operations and on the front line, one does not pay much attention to expenditures and economic indicators. Residual aid—nonhumanitarian—may have been very expensive and plentiful.

Lilic Discusses UN Sanctions, CSCE Membership

LD1709031693 Belgrade TANJUG in English 2010 GMT 16 Sep 93

["Pool" item]

[Text] Belgrade, Sept 16 (TANJUG)—Yugoslav President Zoran Lilic says in an interview to the Belgrade weekly INTERVJU he believes that the European Community, the Security Council and the U.N. sanctions committee will be "consistent and ethical enough to lift the sanctions against Yugoslavia at the pace at which peace is restored in the Former Yugoslav Republic of Bosnia-Herzegovina."

Asked what has been done in connection with a request by international factors that observers of the Conference on Security and Cooperation in Europe (C.S.C.E.) be allowed to return to Serbia's southern province of Kosovo-Metohija, northern province of Vojvodina and Novi Pazar in its Raska (Sandzak) district, which was one of the conditions for lifting the sanctions against Yugoslavia, Lilic said that the C.S.C.E. had remained inflexible in its demands and that no agreement had resulted from a recent meeting in Sweden.

"We asked to be reinstated in our seat, and that Yugoslavia be not discussed without our representative being present," said Lilic.

He said that Yugoslavia had been suspended from the membership of a number of international organisations, but that this did not mean that the world did not recognize Yugoslavia.

"On the contrary, it has de facto been recognized," he said.

The Yugoslav Government refused in July to renew the mandate of a C.S.C.E. mission to Yugoslavia, after the C.S.C.E. committee of high officials had turned down a request by the Yugoslav Government to review Yugoslavia's right to a seat in the organisation. Yugoslavia has been suspended from the C.S.C.E. last year because of its alleged involvement in the civil war in neighbouring Bosnia-Herzegovina, in which it is in no way involved.

Yugoslavia believes that the renewal of the C.S.C.E. mission's mandate depends on Yugoslavia being restored to full membership of this international organization, and that the two questions cannot be considered separately.

Budget 122 Times Larger Than Proposed in July

93BA1437B Belgrade POLITIKA in Serbo-Croatian 21 Aug 93 p 7

[Article by TANJUG]

[Text] In yesterday's session, the federal government took up and adopted the proposal of a new rebalanced version of the federal budget for this year.

It is proposing to the Federal Assembly that the budget of the FRY [Federal Republic of Yugoslavia] in 1993 amount to 155,915,617 billion dinars, which is 122-fold greater than the funds set forth in the first rebalanced version back in July.

Within the total funds envisaged, 8 percent of the available social product, that is, 75.5 percent of the total funds, is envisaged to finance the Army of Yugoslavia, which amounts to 177,672,164 billion dinars. The portion to finance all other functions of the Federal Republic of Yugoslavia is 24.5 percent of the total size of the federal budget, or 38,243,453 billion dinars.

It was observed that within the context of economic policy measures the federal government has adopted a special program for improvement of the operation and more efficient organization of the federal administration, on which basis conditions will be created to reduce funds for operation of federal bodies and agencies in the coming period.

The Federal Ministry of Justice, in cooperation with the General Staff of the Army of Yugoslavia, will approve a proposed version of a program for more efficient operation and reorganization of the Army of Yugoslavia, which will also have an effect in the coming period on both the revenues and the expenditures of the Army.

The funds to finance the functions of the FRY will be furnished 60 percent from original revenues, 10 percent by issuing securities, and 30 percent from long-term loans from the National Bank of Yugoslavia.

A report on current problems in payment of monthly benefits of military disabled and beneficiaries of survivors' benefits under disability pensions was heard. It was decided that commencing on 1 September disability benefits are to be paid in keeping with predictions of the movement of the average personal income in the FRY in the month for which the payment is being made. Advances against monthly disability benefits will be established by the federal minister for labor, health, and social welfare policy on the basis of figures of the Federal Bureau of Statistics on the planned average personal income for the month in question.

In yesterday's session, the federal government fixed the support price of raw tobacco from this year's harvest at 128.7 million dinars per kilogram.

Dr. Zoran Stojanovic, law school professor at Novi Sad University, was appointed chairman of the Committee for Collection of Data on the Crimes Committed Against Humanity and International Law, and Dr. Djordje Ignjatovic, law professor at Belgrade University, was appointed deputy chairman.

Metropolitan Against Independent Montenegrin Church

93BA1434E Belgrade NIN in Serbo-Croatian 20 Aug 93 p 24

[Article by Metropolitan Amfilohije: "The Church Is Not a Parasite"]

[Text] *The manipulation of the church is coming from those who hate it, and sometimes even from those who belong to it but do not know its spirit and goals.*

The issue of the church's autocephalism, as well as all other church issues, is exclusively within the church's jurisdiction. Its God-given structure does not come to it from outside, but rather from within; it is not imposed on it, but is formed by its nature and its internal life. That is how it has always been. It has been so to an even greater extent since the church's separation from the state. The church was never an "parasite" of systems and ideologies, and much less of partisan and ideological passions and orientations. It is not only older than parties, but also older than states and all systems, and even nations. When new systems, states, and parties appear, when there is a change in forced or voluntary ideological or national awarenesses, the church remains what it was, before Christ and after Christ, for thousands of years. As an opening, penetration, and manifestation of the Eternal in the transitory processes of life and the world, it was and has remained a measure of the temporal and transitory, never the reverse. If it, as such, adapted itself to the "natural elements" of the world, following the "mini" and "maxi" fashions characteristic of the world and people, it would be renouncing its own nature and mission. It is on earth in order for individuals and peoples to be incorporated in it, to transform themselves through it, to be consecrated, enlightened, and united into one divine/human all-encompassing body. It accepts into itself, incorporates into itself, transforms, and makes infinite everything that is in heaven and on earth, except for sin and what has originated in sin and is born from sin.

Pursued and persecuted in older, new, and most recent times, the church has survived. It still survives, as an indestructible leaven of the world. Along with persecutions, there have been and still are attempts, successful or less successful, to manipulate the church. The manipulation has come and is coming from those who hate it or want to use it for their own mundane goals, and sometimes even from those who belong to it or claim that they belong to it, but do not know its spirit and its goals. Such people view it according to their own standards, and measure its universal wisdom by their own limited intelligence, instead of the other way around; they consider themselves authorized to use it for their own political, partisan, nationalistic, ideological-private purposes and goals. That kind of manipulation is particularly dangerous if it happens in times, like these, of great spiritual devastation from totalitarian ideologies, from which ignorance and unfamiliarity with the church is born; in times in which ideological awareness is more powerful, even in some church circles or false church circles, than the genuine ecclesiastic church awareness and self-knowledge.

One of those attempts to manipulate the church also occurred recently in Cetinje, by a group of Montenegrin autocephalists. This has to do with a group of people who come from nonchurch circles, or rather separated from the church; frequently its members have been raised in a completely antichurch spirit. A considerable number of them, until yesterday, were members of the party which banned by statute membership in religion and the church, and which tried to destroy the church by all legitimate and illegitimate means. These are people who almost never went to church, a considerable number of them are unbaptized, and those who are baptized hardly even have elementary knowledge about theology. Raised in a nonchurch and antichurch spirit, they are displaying their interest in the church, at least so far, in the same way as the communist party during the past 50 years, using the methods characteristic of it, i.e., of the totalitarian type, and at times even worse. We would be delighted if the adherents of the illegal and unconstitutional so-called "Committee for the Autocephalism of the Montenegrin Church" indicated to us at least one action of theirs, from the shameless St. Peter's Day (1991) stoning of the Cetinje monastery and St. Peter's sarcophagus, to the stoning of the seminary at Cetinje and the extinguishing of the feast-day candle of St. Peter of Cetinje on St. Luke's Day last year, that would reflect church beliefs, Orthodoxy, or even elementary humanity and democracy, not to mention the senseless and primitive act upon the arrival of Ecumenical Patriach Vartolomej, which remains a long-term blemish on the face of Cetinje and its people!

The ignorance and unfamiliarity with religion and the church among the postwar generations in Cetinje and elsewhere is an occasion for sadness and concern, but never for judging and condemning anyone. What is unacceptable and unjustified is that this ignorance is being proclaimed knowledge, and being covered and concealed by aggression and violence against others. The use of aggression and violence in the name of the church which is essentially against any violence, and the unwillingness to study and acquire the stolen or neglected knowledge of the church and its structure, are sufficient indications for anyone with reason and a conscience to realize the kind of "spirits" involved here. What any sound-minded and intelligent person would expect from members of those generations in Montenegro and elsewhere, regardless of who is involved, which [generations] were separated from the church through no fault of their own and deprived of church education during the postwar period, is that they would turn to the bishop and the clergy, believers with a church education, church books, and so forth, to help them to compensate for what was neglected.

Only when Montenegro's church and spiritual life has been renewed will it be possible to talk responsibly about any serious topics of church life and structure, on both the local and universal levels. Until then, what Bishop Nikolaj said remains in effect: Ignorance kills us! What value is there in having people whose awareness and conscience are ruled primarily by a mundane ideological and partisan awareness talk about the church and its sacred things, about its all-encompassing secrets? The law is what their hearts long for, as Petar II said, what they do not long for the Koran does not say! Well, what the Montenegrin-Coastal metropolitan and the clergy say is not important to those "autocephalists." We are our own people, and we can talk with each other as we want, or at least we think so. But they cited the Russian church? The Moscow patriarch has officially answered that the Moscow Patriarchate never gave the Montenegrin church autocephalism. The Ecumenical Patriarch, the representative of the Great Mother Church of all the Slavic Orthodox local churches, came. He, as the patriarch and a well-known lawyer and canonist, was also not aware that anyone had ever requested such autocephalism. And that is the Patriarchate that granted autocephalism to all the Slavic churches. But, they will say, we gave ourselves "autocephalism"? The Montenegrin-Coastal metropolitans, however, were never the leaders of any sort of protestant sect to be involved in such satanic malice, and put themselves above God's church, the one, holy, synodic and apostolic one, to which they belonged, which they served, and to which we, by the grace of God, also belong and want to belong.

Whatever the case, one thing is certain: the metropolitan and clergy of the Cetinje Metropolitanate, St. Peter's and St. Sava's, with love and respect, without the slightest malice toward anyone, not to mention hatred, are waiting, ready for a fraternal talk and assumption of joint Christian responsibility with every Montenegrin brother whose soul longs for God, eternal meaning and salvation, as well as with every person who is hungry for God's truth and justice. We expect the state, and even political parties, to respect the constitution, not to interfere in internal church issues and its age-old structure, and to make it possible for it to fulfill its spiritual and moral mission for the sake of everyone's good, rebirth, and progress. The church will remain, and they will pass.

We are convinced that no one wants and aims to leave dirty tracks behind him, and much less for his tracks to stink of inhumanity....

Banks Warned of Strict Monetary Measures

93BA1437D Belgrade POLITIKA in Serbo-Croatian 21 Aug 93 p 6

[Article by S. Vujosevic: "Undisciplined Banks Will Be Closed"]

[Text] Banks will have to abide by the new measures of monetary policy which have been adopted and those yet to be adopted, because otherwise they will be closed or very rigorous measures will be applied against them and their personnel. Monetary discipline will have to be tightened, and the banks can have an important influence on that part of the job. Any "scalping with foreign exchange" which they approve will be punishable by prison or dismissal of the bank officer who allows it.

That would be the basic message of monetary authorities at yesterday's meeting with the commercial banks, which was held in the JUBMES [Yugoslav Bank for International Economic Cooperation] in Belgrade and was closed to the press. In it, Borivoje Atanackovic, governor of the National Bank of Yugoslavia [NBJ], and Dr. Zarko Trbojevic, deputy governor, told bankers about the new measures of economic and monetary policy, hoping in this way to establish with the banks a relationship of cooperation and agreement to carry them out, we learned from well-informed and reliable sources.

The package of activities presented to the bankers mentioned measures already adopted and those yet to be adopted. The bankers were informed about the projection of the money supply for the third quarter and the manner of it distribution. Issue will be 26 million billion dinars, 64 percent of which is intended to cover budgetary and other government expenditure, and about 35 percent for the economy, which will be largely loaned out through the banks.

If, as was stated, production programs will not be entirely credit-financed from primary issue, but only that portion listed as direct material costs and constituting the physical basis of the production operation receiving financing. The rest will have to come from the bank's cofinancing. They will be getting loans from primary issue under somewhat more favorable terms, but in return for the saver, it seems, legal reserves will be increased by 10 percent.

Individuals who have old foreign exchange savings, it was announced, will be offered the opportunity to buy securities for the equivalent value of the old foreign exchange savings; at maturity, the securities can be exchanged for money at the exchange rate on the date of maturity. It was not spelled out which exchange rate that would be—the official rate or the rate on the street.

A limit on interest rates was announced. In future, that is, banks will have to pay on term and sight savings or current accounts and other forms of sight deposits a minimum rate of interest equal to the discount rate of the NBJ, which at the moment is 120 percent per month. The highest interest rate that can be collected on all other transactions, it was announced, would be the average monthly weighted interest rate on the Money and Securities Market in the first quarter of August, which is about 245 percent. By all appearances, although this was not explicitly stated, this interest rate would not apply to overdrafts in current accounts of individuals, which would be computed at the penalty interest, which is equal to the rate of inflation. All of this, however, first has to be drafted into legislation.

The key officials of the National Bank of Yugoslavia announced that in future banks will not have problems obtaining cash, of which there will be a sufficient supply.

Serbia

Radical Party Plans No-Confidence Vote in Government

LD1609215993 Belgrade TANJUG in English 1934 GMT 16 Sep 93

[Text] Belgrade, Sept 16 (TANJUG)—Serbian Radical Party leader Vojislav Seselj said on Thursday that this opposition party would move in parliament on September 27 for a no-confidence vote in the government of Serbia.

Speaking at a press conference, Seselj said that the Radical Party, the biggest opposition party in the parliament of this Yugoslav republic, believes that the government of Prime Minister Nikola Sainovic is incompetent and has done nothing to improve the economic situation.

The Serbian economy is in a grave crisis because of international sanctions clamped on Yugoslavia (Serbia/Montenegro) for its alleged involvement in the civil war in neighbouring Bosnia-Herzegovina.

According to Seselj, the motion should be debated in early October, when the Serbian parliament reconvenes for the autumn session.

Seselj Blames Communists for 'Putsch' in Banja Luka

AU1609144493 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 16 Sep 93

[Text] At its news conference, the Serbian Radical Party confirmed the claims made in its earlier statements that certain parties and individuals are behind the attempted putsch in Banja Luka. Party leader Vojislav Seselj presented some new details. Dragoljub Stankic reports:

[Stankic] According to Vojislav Seselj, the attempted putsch in Banja Luka is the work of the League of

Communists-Movement for Yugoslavia, officers from the Administration of the General Staff of the Army of Yugoslavia, and the hard-line wing of the Socialists. In Seselj's opinion, Colonel Zdravko Tolimir, head of the security service of the Army of the Serbian Republic, is also involved in the action. The direct executor in the field is Colonel Petar Salapura, for whom Seselj claims is a proven agent of foreign services. Seselj also claims that Banja Luka is only a trial-run for what is supposed to happen in Belgrade.

Commenting on the support in Belgrade for the putschists in their fight against corruption, Seselj said:

[Begin Seselj recording] Not all forms of (?struggle) can be accepted. Not the putschist forms, because what happened in Banja Luka is a considerably greater crime than any profiteering and corruption. There is no death sentence in any democratic country in the world for those involved in corruption, profiteering, theft, etc.

Putschists, on the other hand, almost always face a death sentence. [end recording]

[Stankic] One of the reasons for the attempted putsch is to overthrow Radovan Karadzic, president of the Serbian Republic, Seselj said. While Karadzic and Milosevic were waging a diplomatic battle in the world, the struggle against corruption in the country was neglected. The situation in Serbia is the same as in the republic of Srpska, Seselj said.

Therefore, a deputy group of the Serbian Radical Party in the Serbian Assembly will raised the issue of a no-confidence vote in the government of Nikola Sainovic at the first session of the Serbian Assembly. Seselj is not sure that the government will be ousted, because, as he said, there are some indications that the Socialists will be supported by the Democratic Party and the Democratic Alliance of Vojvodina Hungarians.

The Radicals also repeated their proposal for amendments to the law on Radio and Television, the part of the proposal in which they demand that the a management board, currently consisting of members of the Socialist Party of Serbia, be elected according to the proportional representation of the parties in the Serbian Assembly.

Agricultural Cooperation Discussed With Russia

LD1609130693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1005 GMT 16 Sep 93

[Text] Belgrade, 16 Sep (TANJUG)—Jan Kisgeci, agriculture minister in the Serbian Government, today received Russian Deputy Agriculture Minister Ivan Gridasov.

As has been announced, they discussed long-term cooperation between Russia and Serbia in the sphere of agriculture, especially the promotion of corn and seed production on the basis of joint ventures by interested firms.

'Disobedient' Directors of Firms Threatened

93BA1437A Belgrade BORBA in Serbo-Croatian 21 Aug 93 p 7

[Article by Zarko Nikolic: "Andjelkovic: Prison Awaits Insubordinate Directors"]

[Text] Krusevac, 20 Aug—Critics of the government's new economic program, which was perhaps late in coming, but must be carried out, have already emerged. They reproach us for the undemocratic and nonmarket approach, and at the same time they forget that in the West, in Germany, for example, those who are now doing business with Serbia can go to prison for several years. The broadest interest, the destiny of Serbia, is involved here. At this moment, we must preserve vital production groupings and regular supply of the necessary products. We must bring the monthly rate of inflation down to about 150 percent and we must bring the price of goods and the price of labor closer together, because now the gap is too large.

Then we will breathe easier and will be able to make new moves. Very stiff penalties await those who are insubordinate—removal of directors and the workers' council, turning such firms over to others, fines and prison sentences, suspension of credit and other financial aid, or drastic taxation, said Stanoje Andjelkovic, Serbian deputy prime minister, during today's visit to Krusevac. After he visited the oil mill, the 22 July Meat-Packing Plant, the Branko Perisic Milling and Baking Industry, Merima, Zupa, and the Miloje Zakic Industry, Andjelkovic met with the opstina leadership.

The directors of Krusevac firms support the government's measures, but they warn that the rules of the game have to be consistently respected and, most of all, the chaos reduced on the market for goods and money. In the oil mill and Merima, they say that they are not cutting back production, but an artificial shortage is being created by numerous middlemen in the trade sector who are acting as brokers and hiking up prices. Vladimir Markovic, Merima general director, judges that Serbia can produce enough detergent, soap, and toothpaste, but the problem is getting the goods into the right hands. In the Zupa Chemical Industry, general director Srdjan Petrovic presented the datum that they are the only ones supplying chlorine to all Yugoslav water supply systems even though they are doing so at a loss and that they will not allow a shutdown of production crucial to refineries, mines, livestock production, and thermal electric power plants. There will also be a sufficient supply of pesticides.

"Before the blockade, about 40 percent of output went for export, now we even have a diminished domestic market, yet 90 percent of our program is import-dependent," Petrovic added.

In the Miloje Zakic Industry, they say that they will be regularly supplying tires, bags, and mining explosives. Even under the conditions of hyperinflation, they have managed to begin the production of windshield wipers, activated charcoal, and airbags for buses. They are also announcing the production of bicycles, mopeds, truck tires, and matches, and they are expecting quite considerable support from government agencies in their development and improvement of technology.

Unemployment Compensation Limited to Two Years

93BA1437C Belgrade POLITIKA in Serbo-Croatian 21 Aug 93 p 7

[Article by V. Jelicic: "Anyone Who Refuses a Job Is Removed From the List"]

[Text] In future, the unemployed in Serbia will be able to count on money compensation for a maximum of two years depending on the length of their prior insurance. Unemployed who have been insured for 30 years or more will receive money compensation for 24 months, while those with at least nine months of continuous insurance, for example, will receive government aid for only three months.

That will be the case provided deputies of the Serbian Assembly adopt next week the government's proposal to amend the Law on Employment and Rights of the Unemployed.

To recall, under current legislation the unemployed are guaranteed financial assistance through the republic Bureau for the Labor Market for a period extending from three months to a maximum of two and a half years. For workers who lost their jobs through no fault of their own, it is envisaged that compensation be paid for a maximum of two years, and then another three years or 30 months, and if at the end of all those periods they do not find a job, the compensation continues as long as the sanctions last.

The proposed amendments to the law provide that those who up until now have been receiving the "extended" financial assistance because of the sanctions can exercise that right for the last time, that is, receive financial assistance, only for this month.

Also, the government will no longer be as generous toward the unemployed as it has been up to now when it comes to the level of compensation. The net money compensation will be 70 percent of the average net earnings of the unemployed person in the month preceding the month when insurance ceased (it will increase by 2 percent for each year of insurance coverage). Money compensation established in this way, however, may not be greater than the minimum income, nor less than half of the net minimum income. Up to now the lowest money compensation was 75 percent of the lowest net income, increased by taxes and contributions, and the ceiling taken was the average monthly gross income per employee in the opstina or city in the previous quarter. To be sure, the unemployed who have been receiving money compensation up to now, if they judge that that is more favorable for them, can continue to exercise their rights under previous legislation.

One of the innovations in the proposed bill is the provision under which the unemployed will in future not be able to refuse a job offered to them by the Bureau for the Labor Market. Provided, of course, that they are offered a job in the town where they live or no more than 50 km away, with transportation, travel expenses, or housing and food provided them. Anyone who refuses the offer will be removed from the rolls of the unemployed.

While he is employed, the unemployed person will not receive money compensation for the unemployed, but he has the right to earnings, which may not be less than the minimum income.

The government decided on these amendments, it was argued in the materials delivered to the Assembly, in order to motivate the unemployed to find a job as soon as possible with the help of the bureau. After all, there are more and more unemployed persons receiving compensation from the government, and sometimes their monthly incomes are greater than the earnings of those employed in firms. These amendments, in the government's opinion, would bring the compensation into line with the capabilities of the government, and there would be money left for aid to production and to open up new jobs.

Nonpayment of Promised Minimum Wages

93BA1416D Belgrade POLITIKA in Serbo-Croatian 18 Aug 93 p 9

[Article by A. Cubrilo Kosovac: "Promises Instead of Salaries"]

[Text] The directors of firms all over Serbia are sweating, and not just under the August sun. They are being put into a sweat by "their own" workers with demands that they be paid their personal income, the so-called minimum earnings, which, as has been agreed at the tripartite meetings among the republic government, the trade unions, and the Serbian Chamber of Commerce, amounts to 1,040 million or 2,825 million dinars for July. Everything depends on whether it is paid before 10 August or is paid after that date.

Meanwhile, however, there continues to be no money, and the promise made by the Serbian government that that amount will be paid, along with another promise that the prices of the most important goods to ordinary life will not change in the interval between the two adjustments (a period of 10 days), has turned out to be only an injection to calm down heated passions and the constant threats of a general strike.

Who Is Holding On to Official Position

Telephones are buzzing these days between directors of firms and the Serbian Chamber of Commerce. They are seeking help. At the meeting the day before yesterday of textile personnel, who first reacted to the empty agreement about the minimum net earnings, which will be adjusted to the change in retail prices (which in turn are monitored by the Republic Bureau for Statistics), an answer meanwhile came from Dusan Konstantinovic, the Chamber's general director, who simply asked them: "Why not talk to the prime minister about the impossibility of making the payment, and you have the occasion to do so, instead of representing your firms in the best light, meanwhile holding on to your positions?"

Be that as it may, there is no money to pay personal incomes whether in the lower or higher version. Or, there is not enough. After all, according to an estimate of the Serbian Chamber of Commerce, only 65 percent of the firms in the republic managed to pay guaranteed salaries for June. The situation with July salaries is still worse.

The Government's Unrealistic Promises

The banks first of all, and then the entire superstructure, do not have problems paying earnings to their personnel. We obtained confirmation of this in the Serbian Chamber of Commerce. Thus, Milan Kuznik, adviser for the economic system, cautions: "As soon as our tripartite commission adopts the new amount of minimum earnings, the banks, as though they were waiting in ambush, pay salaries to their personnel." At the same time, warns Milenko Ilic, a member of the Presidency of the Serbian Chamber of Commerce, when the workers come to the bank to withdraw their money and get their somewhat smaller earnings, they are told there is no money or only token amounts. For that reason, he feels, establishing the minimum earning in a particular amount suits only the privileged, the superstructure, not the economy, so that instead of that we should establish the minimum salary that affords basic existence, and then guarantee that, and leave all the rest with the economy. That is, whoever is making money and has more will also pay higher salaries; who does not, will get by on the agreed minimum.

The present situation is only creating confusion, it seems like administration of tranquilizers, and it leads nowhere except to a weakening of confidence in the government, which, as we see, has turned out, and it was known in advance, to be unable to fulfill the promises made. What is not fair on the part of the republic government, Milan Kuznik says, is that when it cannot do anything to calm down the exchange rate of the dinar, it did not abide by the promise to keep prices the same at least during the period between the two payments of personal incomes. And that it certainly could have done. After all, all the prices of products included in the so-called consumer's market basket lie within its authority, the inspectorate is in its hands.... What happens, however, Kuznik warns, is that one day we set the amount of the minimum earnings, taking into account the price of the products in the consumer market basket, and the very next day the government raises the prices of those products. What is the point?

Montenegro

Bulatovic Comments on Visit to Albania

AU1609171693 Belgrade Radio Beograd Network in Serbo-Croatian 1536 GMT 16 Sep 93

[Statement by Montenegrin President Momir Bulatovic on his visit to Tirana; place and date not given—recorded]

[Text] We discussed several concrete issues with the prime minister which can be immediately realized. These include the improvement of local border traffic, economic cooperation, traffic communications, and so forth. We understood all this to be a kind of starting signal for improving cooperation once it is no longer impeded by the economic sanctions. Namely, we concluded that it would be quite normal to have a boat sailing Lake Skadar, just like it had sailed 50 years ago, linking Virpazar and Skadar. We also want to establish bus routes, and have more than one border crossing between Montenegro and Albania. Moreover, we issued an invitation to the assembly chairman to have a parliamentary delegation visit the Republic of Montenegro in order to intensify this parliamentary contact so that we can dispel some of the prejudices and enable a normal, political, and interstate communication at a point when this communication is becoming more normal between individuals on the border, in local border traffic, that is.

It was evident that our hosts, and all other collocutors, wished to introduce nuances into the approach to sensitive and delicate topics. Namely, while we were preparing this visit, we made it clear that we wished to normalize—as much as possible—the cooperation with the Republic of Albania, but that we did not wish to be an instrument for stressing the positive example of Montenegro to the disadvantage of some other example. All our collocutors let us know—very carefully and decidedly—that their desire and readiness to develop cooperation with us absolutely does not mean meddling into the internal affairs of the Federal Republic of Yugoslavia, or any kind of other a priori negative attitude.

Moreover, we insisted that the kind of dialogue we initiated today should be established on all levels. We believe that a dialogue should be established between Albania and the Federal Republic of Yugoslavia, between Serbia and Albania, that is. After all, this circle of entities which influence the global stability in the Balkans is not endless, we are all here on this territory, and we really are forced to face one another, both in the existential and political sense. We have to work at establishing a dialogue.

Commentary Views Motives

AU1609200093 Podgorica POBJEDA in Serbo-Croatian 9 Sep 93 p 3

[Commentary by Ljubisa Mitrovic: "A Step Toward the Neighbor"]

[Text] President of Montenegro Momir Bulatovic is supposed to leave for Tirana the middle in the next week, following the invitation of Albanian President Sali Berisha.

This move in the foreign policy of the Montenegrin political leadership has elicited extraordinary attention from diplomatic circles both at home and abroad, but particularly in Balkan diplomatic circles. These circles are attaching different connotations to the visit, which depend on their own views of the complexity of Yugoslav-Albanian relations, as well as on their views of relations in the region in general.

This is going to be the first Montenegrin-Albanian meeting on the highest level, so from that point of view the event has been given historic importance. It is expected that the dialogue will usher in the process of normalization of relations between two neighbors, while on the practical level it will substantially contribute to the improvement of cooperation in trade, traffic, exploitation of potentials of Skadar Lake, exchange in the field of culture and other fields. The position of national minorities will certainly be an inevitable topic.

The current political context makes the visit of the Montenegrin president to Albania quite a delicate move. Its aim is to intensify the policy of peaceful coexistence and neighborliness, which is the main orientation of Montenegro. At the same time, the visit happens to come about at a time of very complicated Yugoslav-Albanian relations that have been burdened by numerous problems, starting from Kosovo up to more and more frequent armed incidents on the border. The delicacy of the upcoming visit is reflected in the two-way orientation of Montenegro: Firstly, the normalization of Montenegrin-Albanian relations should in no way harm the interests and policy of Serbia, and secondly, the possibility of improvement of those relations should not be hindered by the currently complicated relations between the FRY and Albania.

Even this political move of Montenegro has been followed by mistrust. It is a result of the clearly formulated attitude of the political forces in the FRY that the foreign policy ought to be unified, although regulations of the still valid Constitution of the FRY are quite inconsistent with such an attitude, while, after all, some practical experiences do not promote it either. The supporters of the aforementioned platform have already started to question the goal of the visit, that is to say, whether the invitation from Tirana means a candid aspiration for the normalization of relations with the FRY, or if it is an attempt to weaken the state and international significance of the FRY by insisting on one republic only. President Bulatovic resolutely stated recently: "We do not want to take part in any insane provocation of conflicts in Kosovo, or in any misuse of the fact that the dialogue among the Montenegrin authorities, citizens, and the members of the ethnic Albanian minority unfolds quite normally."

Therefore one should believe that the upcoming visit will contribute to the thawing of relations between the FRY and Albania, and creating a much more favorable atmosphere for the normalization of relations between two neighboring countries to start. Instead of mistrust, it would be better to make a better use of the fact that in certain segments of foreign policy Montenegro is in a much more favorable position than the other member-republic, or the federal state.

Government Abolishes Defense Ministry

LD1609185993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1747 GMT 16 Sep 93

[Text] Podgorica, 16 Sep (TANJUG)—Proceeding from the constitutional position and in accordance with the recommendation of the Federal [FRY] Government, the Montenegrin Government this evening decided to abolish the Republican Defense Ministry.

Analyzing the question of the republic's competence in the sphere of foreign affairs, the government came to the conclusion that the Interior Ministry should remain.

The decision to retain the Interior Ministry was deemed to be in keeping with the constitution.

Social Democrats Against Expanded Serbia

93BA1440C Belgrade POLITIKA in Serbo-Croatian 25 Aug 93 p 12

[Article by D. Becirovic: "The Demand That the Government Render Accounts"]

[Text] Podgorica, 24 Aug—"This is the last hour for rejecting the policy which is leading Montenegro to ruin and for the shapers of that policy, the government and some of the opposition parties, to render accounts. Those to blame for the suffering of the people must bear responsibility. The political forces which have exposed us to suffering and shame should be defeated in the extraordinary elections." This is the beginning of the leaflet addressed to the citizens of Montenegro which political activists of the Socialist Party are distributing in residential mailboxes.

The Social Democratic Party of Montenegro is a parliamentary party with deputies in both the republic and federal parliaments. It arose from the Socialist Party, the Party of Socialists, the Social Democratic Party of Reformers, the Bar Communists, and certain other smaller parties through a unification that occurred a month or two ago. All of these parties have a common political goal: an independent, self-sufficient, and sovereign Montenegro.

Appealing to the Montenegrin people "not to allow themselves to be a hostage to foreign interests and to commit themselves to courage and heroism," in this leaflet that party makes heavy charges against the present and former governments, saying that the present Montenegrin Government "made a pledge to the working class, but today it is driving it to unemployment and mandatory leave."

"They have been telling us lies over television about the war in Yugoslavia, while the whole world has been seeing the truth. They verbally defended equality among nationalities, but they have conducted an ethnic policy, allowing the spread of hatred and evil. They have followed Milosevic while he broke up Yugoslavia along with Tudjman, they have been saying that Montenegro lives in peace, while our nearest and dearest have been dying in a senseless fratricidal war," with these words the Social Democrats addressed the people of Montenegro, and then comes a passage about contemporary Yugoslavia:

"They created a third unrecognized Yugoslavia in which no one asked Montenegro about anything. They have isolated us from the world because of the interests of others. They have proclaimed those who have been defending Montenegro and speaking the truth, traitors and separatists.... We have said that the present Yugoslavia is another name for an expanded Serbia, that the Montenegrin name is being destroyed in this state, that Montenegro is being turned into a Serbian region. We told you that after all was said and done they would offer you equal stomachs, equal work, life under the sanctions, hatred of the world, constant lies and deceptions. We have been telling you the truth, while they have been courting you, while they have played with your destiny...."

This is the message to the people from the Social Democratic Party of Montenegro, a parliamentary party, announcing that this is only the beginning of their fierce political offensive.

Relationship Among Serbian Parties Viewed

93BA1378E Podgorica MONITOR in Serbo-Croatian 6 Aug 93 pp 16-17

[Article by Marko Vukovic: "Who Will Do It to Whom?"]

[Text] *The differences between the National Party and the Serbian Radical Party are much less than between the forces in Serbia under whose influence they are. The fact that in spite of this they are in a fierce mutual conflict demonstrates their deep ties to their political partners in Serbia.*

It is no secret that love and harmony do not exactly reign among the Serbian parties in Montenegro. In principle, that is not unusual for the numerous groups that arose after the so-called "simple division." Their numbers, however, are a result of factional activity within the first and strongest, the National Party [NS]. Much less time has passed than it seems since Pavle Milic, Nada Lazarevic, and Misko Milovic, "astounded" by the NS's policy, left it and founded the SNO [Serbian National Renewal] for Montenegro and Herzegovina. It has barely been a year since the entire Nationalist deputies' club, dissatisfied with the Main Committee's decision not to participate in the elections for the federal parliament of the just created FRY, left it, headed by Dr. Mitar Cvorovic. Just before the 1992 elections, Cvorovic's group joined Vujosevic's Democrats, forming the National Democratic Party. And the bulk of the SRS [Serbian Radical Party] leadership has in its biography a stay in Kilibarda's school of Montenegrin Serbdom, not to mention the membership of this and the other "Serbian" parties; almost all of them were in the NS two or three years ago.

As in Serbia

The conflict became obvious only with the sudden strengthening of the SRS. Until then it was impossible to mount any serious challenge to the authority of the NS and its leader, Dr. Novak Kilibarda, with the harangue conducted against them by the loud but insignificant SNO for Montenegro and Herzegovina. The strengthening of Seselj's party in Serbia was similarly reflected in Montenegro as well. The Radicals suddenly became serious competitors for the Nationalists. That fact exposed not only internal intolerance, but also the strong dependence of the entire bloc upon the course of events on Serbia's political scene. It demonstrates quite beautifully that the members of that opposition view Serbia as their motherland, instead of Montenegro, although they can frequently emphasize that the latter is their homeland and its interests are sacred. To a great extent, the division of the "Serbian" parties in Montenegro coincides with the division in Serbia. Thus, the NS does not conceal its sympathies for the policy of DEPOS [Democratic Movement of Serbia], and especially Kostunica's DSS [Democratic Party of Serbia], with which it recently drafted a declaration on the two republics' relations. On the other hand, the SRS is the only one on this republic's territory with its headquarters in Belgrade. That says enough about its nature and intentions. consequently, by analogy with "you are like the one you are with," the Radicals here treat the Nationalists in the same way that their general treats the DEPOS members in Serbia.

Criterion of Radicalism

A theoretical framework could be provided for this conflict by proceeding from the fact that the NS, like the (National) Democratic Party, has a civil orientation, at least formally. The nature of this "civil orientation" is revealed by the mandatory mention of "Serbian recognizability" in identifying a party. The SRS, as well as the SNO, are "pure national Serbian parties," however. The Radicals are admittedly republicans (probably because Slobodan Milosevic does not have blue blood), and the SNO are royalists, but in practice their behavior is hard to distinguish.

These attributes and program characteristics of these political entities should not be taken too seriously. It is much more accurate to take as crucial for differentiation the criterion of radicalism in achieving Greater Serbian state plans in Montenegro. The dissipation of the NS occurred precisely because of the assessment that its approach was too soft and that it would not guarantee rapid and effective completion of the "Serbian cause" in this area. The principles of the new methodology were then vividly shown to Mr. Kilibarda by the well-known Petar Kljajevic, who hit him in the head with an ashtray at a meeting in Bijelo Polje.

The conflict between the SRS and the NS is being conducted on the same ground today. Seselj used some of the recent meetings of the Serbian parliament to settle scores crudely with the leader of the Nationalists. He spoke disdainfully of Kilibarda as a political dilettante, mocked their cooperation with the DZVM [Democratic Community of Vojvodina Hungarians], and commented with cynical contempt about the NS members' joining the Montenegrin government. A similar job was done in the republic Assembly by Acim Visnjic, as well as he could. The Radicals were bloodthirsty toward the Nationalists even before the last elections, and as time passes they are attacking them more and more ruthlessly. During the discussion of the Council for the Protection of Minority Rights, several SRS deputies "overlooked" Dr. Kilibarda as a Serb in that body.

So far the Nationalists have mostly yielded, wanting to leave the impression of being more sensible. They have apparently succeeded in this, but the big question is whether they have done so in the structures that constitute the basis of their constituency. A bad sign for them appeared last week in Herceg Novi, when the SRS branch there was joined by the local SNO, the SDS [Serbian Democratic Party], and even the National Democratic Party, which was believed to be closer "in style" to the NS.

Small Differences

Actually, what is involved is "open aggression" by the SRS against the NS, with the aim of removing it from the political scene in Montenegro and taking over its membership. In a small area, with a small number of voters involved, there is no room for two large parties with similar political orientations, since otherwise (even with leaders' vanity taken into account), two parties that have identical views of the national question in Montenegro and its state status, the Serbian war conquests, and their attitude toward the international community would bicker so much about.... Is the issue of whether the regime in Serbia will be shaped according to the Ravna Gora model or the one from 33 Tolstojeva really worth so much of their castigation here? The differences between the Nationalists and the Radicals are certainly much smaller than between the forces in Serbia under whose influence they are. The fact that in spite of their obvious closeness they are in a very fierce conflict demonstrates the depth of their ties with partners in the neighboring republic, just as the behavior of two parties likewise divided along "civil"-"national" lines, the SNO and the (National) Democratic Party, has demonstrated that they are mere instruments in the hands of others. The SNO did dirty work in the war for the VJ [Army of Yugoslavia], and was also used on the eve of the elections for brutal attacks against Montenegrin parties, while the (National) Democratic Party performed this type of service, many people claim, for the DPS [Democratic Party of Socialists]. In that kind of situation the number of combinations for conflicts and alliances is truly impressive.

With the withdrawal of the ministers from the Montenegrin government, the NS, according to many people, has shown that its legalistic orientation is very questionable and that it is already preparing to fish in troubled waters when the chaos starts. The fact that the political and ethical packaging in which they wrapped that step does not reflect its essence is giving rise to suspicion, along with the astonishingly harsh and direct reaction by Milan Gajevic, one of the leading people in the ruling party. He assessed the ministers' withdrawal from the government as disgusting, especially since the NS did not withdraw the diplomatic and consular list, with the comment that Dr. Novak Kilibarda's daughter was on it. That reaction by Gajevic is frequently being explained these days as a result of the DPS's realization of the Nationalists' real intentions in the near future. On the other hand, the response from the National Party's executive committee is radical in tone, emphasizing the ruling party's alleged plotting with the forces that advocate a sovereign Montenegro.

One could thus conclude that a sort of rapprochement between the Nationals and the Radicals will follow, especially through the Nationalists' adapting their political language to their political goals, which remain constant. That situation, however, will sooner lead to an intensification of the conflict with the Radicals than to a reconciliation on a "celestial" basis. This conclusion can sound illogical only to those who are not familiar with the "narcissism of small differences."

Assembly Deputy President on Minority Rights

93BA1378C Podgorica MONITOR in Serbo-Croatian 6 Aug 93 pp 8-9

[Interview with Montenegrin Assembly Vice President Dzemal Perovic by Nebojsa Redzic; place and date not given: "Montenegro for Everyone"]

[Text] *"Declaring special rights for national communities to be a 'surplus of rights' indicates either unfamiliarity with this subject, or else bad intentions. These are fundamental human rights, which a person acquires through birth, and no one can give them to him or take them away," Dzemal Perovic told MONITOR.*

[Redzic] Montenegro was the first in Europe, as its authorities proudly emphasize, to codify minority rights (as established in the republic constitution) through a special document, having formed the Council for the Protection of Members of National and Ethnic Groups. As vice president of the Assembly, you are probably familiar with the path from the idea to its realization?

[Perovic] There is a whole section of 10 articles in the Montenegrin constitution to protect the special rights of national communities. (Only the last article, 76, provides for the formation of the Council as an authoritative instrument for protection.) Several articles provide modern solutions adopted from international conventions and declarations, with which not only Montenegro's citizens but also some deputies are not very familiar. Nevertheless, most of these solutions cannot be guaranteed in practice, and instead of adopting laws that would regulate this protection in more detail, claims like "the first one in Europe" only obscure the essence of the matter and confuse Montenegro's citizens.

The formation of this council could bring positive progress in protecting the rights of national communities, which is essential to restore mutual trust. Nevertheless, the way in which it was formed, i.e., the haste, inadequate solutions, and also the resistance from some deputies, reduce its significance and authority, but that was supposed to be the greatest value of this constitutional institution.

[Redzic] Our republic's constitution also guarantees members of national and ethnic groups, in addition to the rights and freedoms that all citizens of Montenegro have, special rights to guarantee the preservation and protection of their national identity. In a situation in which the equality of citizens has been proclaimed, why is special protection needed for minorities?

[Perovic] It is precisely because of the possibility of a threat to the identity of members of national communities, even without the intention of a threat, that there is a need for their country of residence to protect those special rights. Proclaiming these rights to be a "surplus of rights" and mentioning "reciprocity" indicates either unfamiliarity with this subject or else bad intentions. These are fundamental human rights. They are natural rights that a person acquires through birth. No one can give anyone those rights or take them away. The state can simply protect them or not protect them to a greater or lesser degree.

[Redzic] In recent days, the public's attention has been drawn by the Memorandum on Establishing Special Status for Sandzak. As a citizen, or, if you wish, as an Albanian and Muslim, how do you view this?

[Perovic] I must confess that I am not acquainted with that document, and especially not with the nature of the demands, except through certain reactions. Nevertheless, the very term "Memorandum" is too reminiscent of the beginning of the SFRY's collapse, and I do not see who would benefit from such an action. The LSCG's [Montenegrin Liberal Party's] position on partial solutions to national problems that can encroach upon Montenegro's territorial integrity and sovereignty even more is well-known. It is indicative, however, that the harshest critics of this Memorandum are those who built their own political identity on defending the SANU [Serbian Academy of Sciences and Arts] Memorandum and various autonomous areas (the SAOs [Serbian Autonomous Areas]).

The fact is that today it is most difficult to be a Muslim in this region, especially if the offered agreement on partitioning Bosnia is concluded; that would mean a victory and invitation for those who fought for that goal and cited the impossibility of coexistence as a reason. What do Muslims have to hope for in Montenegro in that case? So far all the international community's efforts and plans have failed.

That is why I think that Montenegro and all of us need to distance ourselves from nationalistic and chauvinist projects, and build a democratic civil state integrated into European processes, that will incorporate the highest international standards in everything and especially in the protection of human rights and freedoms, among which a significant place belongs to national and religious rights and freedoms. That has to be achieved by democratic means and building mutual trust step by step. The Balkans have fought too much to settle certain issues that certainly cannot be settled by merely listing territories.

[Redzic] Would you have the same position in the event of a revival of the demand for a special status for Albanians in Montenegro?

[Perovic] Identical. That Memorandum has already met with complete disapproval, and so I do not see any point in reviving and stubbornly insisting on that form. Most of the demands in the Democratic Alliance's Memorandum can be realized through broad local self-government, which the international document (the CSCE) provides for and which the LSCG also supports.

[Redzic] Half a year has passed since you came to the position of vice president of the Assembly. Is that period long enough for you to recapitulate and sum up your impressions?

[Perovic] Since I did not engage in politics previously, it is still a short period. Perhaps I perceive some things too emotionally, but I cannot get rid of the impression of incomprehensible frivolity and irresponsibility on the part of both the government and the Assembly, at least as far as priorities in solving problems are concerned.

[Redzic] Montenegro's economic collapse will necessarily result in increased social tensions and disrupted civil peace. Is there any end to the collapse, and how, in that context, do you view the possibility of maintaining stability?

[Perovic] The speed of the economic collapse, hunger, poverty, and war are keeping citizens in a state of shock or hypnosis, so this peace seems unreal, just as the fact that it seems unlikely that this collapse will be stopped seems unreal. Tremendous energy and resources are being expended in varnishing reality and manipulating citizens, or in trying to solve problems by methods through which they cannot be solved.

The beginning of an end to the collapse would probably take place most painlessly if this government admitted defeat, accepted the standards set by the international community, and call upon democratic forces to form a government of national salvation, since salvation from complete economic collapse cannot be expected without the lifting of the sanctions, as this government has admitted since they began to be imposed. We can testify that recognizing and talking about the injustice of the sanctions does not yield anything.

A continuation of the failure and collapse would only offer an opportunity to extremist nationalistic forces to exploit social unrest, seize power, and establish some form of dictatorship.

There are too many such examples in history of seizing power from the street. They only freeze the situation and halt any progress.

I nevertheless believe that reason and democratic forces will prevail in Montenegro.

[Box, p 8]

[Redzic] The body of special rights for national and ethnic groups and the means of protecting them meet the highest international standards, and rank Montenegro among the states which devote the most attention to that issue. Nevertheless, is there also some discrepancy between norms and reality here?

[Perovic] I cannot completely agree with your assertion. To some extent the solutions in the constitution meet high international standards, but that is not enough to rank Montenegro automatically "among the states that devote the most attention to that issue." Perhaps that can be said of the act of adopting the constitution, and the fact that Montenegro retains the right to solve these problems independently, i.e., differently from Serbia. In practice, however, less attention is devoted to real protection. For the sake of illustration, I will cite some constitutional norms that regulate the following rights that are very difficult or impossible to fulfill in practice: "the right to information in one's own language" (article 68), "the right to use and display national symbols" (article 69), "the right to establish educational, cultural, and religious associations, with material assistance from the state" (article 70), "the right to proportionate representation" (article 73), "the right to appeal to international institutions to protect their rights and freedoms" (article 74), and so forth. There is thus an obvious discrepancy, and so there is justifiable suspicion and a question about who needs this.

[Box, p 9]

[Redzic] Do you still believe in a civil state in Montenegro, as another name for stable interethnic relations?

[Perovic] If I did not believe in a civil state in which my child could be educated safely and normally tomorrow, go into the army and be an equal citizen in all respects, I would seek for myself and my family a country that does not have to be my homeland but will make that possible for me. Almost half of the Albanians from Montenegro have already done so. It is tragic, but true.

Macedonia

Macedonia Suffers Damage From Sanctions

AU1609114093 Skopje NOVA MAKEDONIJA in Macedonian 11 Sep 93 p 11

[Report by Saso Novevski: "A Ramp for Additional Troubles"]

[Text] Since 26 April the Macedonian economy has, for more than five months, lived with a ramp across its northern border, as a result of the very strong sanctions that the International Community introduced against the FRY with Resolution 820. For the same period of time the agony of our companies has continued for they are physically restricted in their access to the greatest neighboring market, to which we were for decades naturally directed in our economic plan. A small consolation was the fact that, from time to time, economic cooperation was somehow established, but that also came to nothing, unlike the period before the introduction of the blockade, because the punishing measures did (and are still doing) what they were intended to do. Especially since last week, after U.S. Secretary of State Warren Christopher asked the Macedonian establishment to hermetically seal the Macedonian border with the FRY, threatening that—if it is not done, our state will experience the same treatment. It means nothing but a continuation of the agony of the national economy. Macedonia is left with the right to ask for compensation for the catastrophic damage it is suffering due to this policy, but it is hard to believe it will be given a single dollar in compensation.

Immeasurable Damage

The businessmen and the politicians in our country have never, and especially not in regard to this issue, shared the same opinion. The managers of Macedonian companies, even before the introduction of Resolutions 757 and 787, pointed out in the Chamber of Commerce what the total interruption of the business, financial and traffic trends with Serbia will mean, although they were fully aware of the moral and every other obligation that, in a certain way, they have to participate and accept all measures that would promote the settlement of the warfare in Bosnia and Herzegovina. That is the reason why the political decision prevailed, and our country, as a member of the World's Assembly of nations, joined the sanctions required by others. From the political angle no other decision was ever possible. The economy was brought to silence, to suffer all the consequences of the interrupted economic links and—to search alternative markets.

Therefore, as far as the broadly accepted decision for us to join the international sanctions is concerned, the politicians now have nothing else to add. The businessmen, of course, will continue to complain seriously, especially because of the verbally uttered suggestion in these conditions—that they should go on looking for alternative markets on their own! As if the finding of a new market was looking for a lost pencil, a tool or something else, and not an extraordinarily difficult job needing time, money, skill, government diplomatic commitment, and lots of other things. Just because of that, the Macedonian businessmen will for a long time be left with nothing to do but note the immeasurable damage due to the interrupted economic relations with the northern neighbor and to hope the sanctions will soon be removed.

Speaking of the damage, its range and magnitude are clear if we are aware that 80 percent of the Macedonian economy went through the territory of the Republic of Serbia, that our economy sold on that market goods worth $1.4 billion, and in return it was supplied with goods and products of about $900 million. Therefore, the sum of $1.8 billion, the overall assessment stated in May, of the annual loss to be suffered by the national economy as a result of the sanctions is not at all exaggerated. Especially after the hermetic sealing of the northern border, where the UN and CSCE monitors unremittingly ensure respect for the resolutions.

It is not by accident when we say that the consequences are yet to be felt, because such signals are already arriving from all the industrial branches. The situation with the iron and steel as well as non-ferrous metallurgy is frightening, and one of the greatest exporters in this branch "Fenimak" is on the brink of being closed down because of the lack of coal, and it seems that "Jugohrom" will share the same fate, where there are reserves in dried lignite and coke only for the next 20 to 30 days. The country's electro-energy industry will also be left without alternatives. It used to borrow electricity from next door. The same fate will be shared by the copper mine "Bucim," the whole textile industry, which is denied the possibility of obtaining raw materials from the nearest market. As a matter of fact, as a result of the sanctions, many companies in our country have been liquidated in the past months, the number of idle workers is increasing, and industrial production is over 30 percent lower compared to the same period last year. Many other facts can be numbered, and one can say that food is also going to be a problem this winter and that the hardest trials are yet to come.

Insisting on Compensation

Due to all this immeasurable damage that is bringing the economy very close to collapse, Macedonia has a full right, now that it is insisted that the closing of the northern border is essential, to ask for compensation for the consequences of the implemented embargo. Of course, it need not be support in dollars, because it is hard to believe that anybody will give support to all inflicted countries in the area of "the sanctions," but to adopt all other suitable measures that will ease the work of our companies. Thus, it is logical to insist that the United Nations and the United States provide assistance in finding a market for our products, as well as for the supply of indispensable raw materials at the prices offered by our nearest neighbors. The continuous insistence on such a request is desirable, because if somebody is controlling our borders, knowing what position we are in, it is logical that he be expected to help in overcoming at least some of the problems.

In this sense, as a first step toward the precise assistance to be expected is the indication given by Warren Christopher. That is, this high official from the United States, as we hear from close government sources, in his letter asking for the consistent upholding of the sanctions, sent to the Macedonian authorities, hinted that the United States will help in some way to solve the question of the Macedonian credit with the World Bank. It concerns the debt of around $120 million that we inherited as an obligation from former Yugoslavia. If this promise is fulfilled, it will certainly represent a relief, but it will not solve the problems, because the Macedonian economy needs a real alternative for the greatest lost market.

As far as concerns the different statements issued by the FRY press, as for example the reaction of the Yugoslav Minister of Economy Tomislav Simovic that the measures for closing down the border are detrimental to relations between the two countries, no comment is necessary here. The greatest ignoramus knows that no good will come of the sanctions,—on the contrary. They are bad for the countries they are aimed at, and for the whole surrounding area. Especially when the control on their implementation is carried out by others. The question whether we will respect them if there is no compensation is a completely different matter.

VMRO-DPMNE Expresses Support for Croats

LD1709030293 Zagreb HTV Television in Serbo-Croatian 1730 GMT 16 Sep 93

[Text] In a public statement, the largest Macedonian opposition party, VMRO-DPMNE [Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity], has most categorically condemned, quote, the barbaric Serbo-chetnik attacks on the civilian population and targets in the Republic of Croatia, unquote.

The VMRO-DPMNE believes that the Croatian response to these attacks was absolutely justified and just, especially because everything was taking place on Croatian territory—in the internationally recognized state of Croatia.

The Macedonian party also condemned certain foreign media sources and politicians who criticized Croatia's response to the Serb attacks, because it believes that it is the Croatian nation's sacred duty in this imposed war to defend itself and to regain every square inch of Croatian territory.

The VMRO-DPMNE and its branch in Croatia have again confirmed that they are on the side of the Croatian people because, they say, they are aware that Macedonia's sovereignty and integrity are also being defended in Croatia.

Kosovo

Daily Welcomes Bulatovic's Albania Trip

LD1609143993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1007 GMT 16 Sep 93

[Text] Pristina, 16 Sep (TANJUG)—The front page report in today's edition of the Pristina-based BUJKU is the visit to Albania yesterday by the Montenegro President Momir Bulatovic.

The paper carries press statements by the two statesmen quoting Albanian television. A report on the visit is published under the headline: "Dialogue on Cooperation Is of Common Interest."

In a prominent position, the Pristina paper reports about a upcoming meeting between representatives of the Montenegro trade unions and leaders of the Union of the Independent Kosovo Trade Unions [Unija Nezavisnih Sindikata Kosovoa—UNSK] expected in Podgorica next week.

UNSK President Hajrulah Gorani told journalists that his organization was interested in a dialogue with anyone who wished to resolve problems in a peaceful way. In this context, Gorani described the visit by Montenegrin President Momir Bulatovic to Albania as a positive development in the efforts to create conditions for dialogue, with the aim of resolving problems in a peaceful way.

However, and despite all this, in a letter which the self-styled Kosovo Prime Minister Bujar Bukosi sent to the administrative committee of the International Conference [on Former Yugoslavia] in Geneva, the Albanians insist on Kosovo as a UN protectorate.

According to BUJKU, Bukosi has asked the conference to take "more effective measures to prevent the war spreading to the Republic of Kosovo."

The "premier" draws attention to a very difficult situation in Kosovo and notes that the conference "has failed to produce results in overcoming the current situation."

Bukosi urges the international conference to send a CSCE observer mission to Kosovo again, to be joined by UN observers as well.

In Bukosi's view, Kosovo must remain under the UN protectorate "until the situation stabilizes, and afterward under the UN supervision to allow the people to decide on their future."

Bukosi asks the conference to instruct the Badinter Commission to outline clearly its attitude to the legal and political status of Kosovo which, in his interpretation of the 1974 Constitution, was, like the six republics and Vojvodina, a federal unit in the former Yugoslavia. According to Bukosi, this would "help to remove attempts to compare Kosovo with the Krajinas in Croatia and the Bosnian Serbs."

Kosovo's self-styled prime minister says in conclusion, that the conference should insist that the lifting of the sanctions against Serbia and Montenegro, as conditional upon finding a lasting solution for the problem of Kosovo.

'Repression and Apartheid' Force Albanians To Flee

AU1609151193 Tirana ATA in English 1014 GMT 16 Sep 93

[Text] Tirana, September 16 (ATA)—The changes in the ethnic make-up of Kosova are being carried out through a policy of repression and apartheid which forces the Albanians to flee from Kosova and offers an opportunity to Serbs and Montenegrins to settle there.

"The Albanians' emigration from Kosova is due to the Serbian political and economic violence," a member of the presidency of the Democratic League of Kosova declared and added that the may census, 1993, demonstrates that 250 thousand mainly young Albanians have fled from Kosova in order to escape military service and to avoid political pressure, as well as to seek opportunities for education and employment. Mitrovica, Ferizaj, Prishtina, and gjilan have been seriously affected by this emigration. Ethnic cleansing in Mitrovica and Rrafsh i Dukagjinit (bordering Albanian) is aimed at disrupting the natural relations of these ethnic albanian territories. Repression and violence in Kosova is followed by the Serbian colonization. Thus far 1750 Serbians and Montenegrins have settled permanently in Kosova and another 7,000 Serbians are there temporarily.

Programs of Illegal Groups in Kosovo

93BA1416C Belgrade BORBA in Serbo-Croatian 16 Aug 93 p 11

[Article by Milos Antic: "'At the Service of the Homeland'"]

[Text] The most recent discovery by law enforcement agencies in Kosmet, which took place in August when three hostile groups belonging to two hostile Albanian illegal organizations: National Movement for Liberation of Kosovo and National Movement for a Republic of Kosovo, were arrested, has once again given relevance to an old issue in these parts: Is war being prepared in Kosmet as well?

According to an announcement by security forces and those conducting the investigation, they have interdicted several sizable hostile illegal groups that were organized along military lines, equipped with the most up-to-date light infantry weapons, and ready if necessary to carry out the missions assigned them. So far, there has been no announcement of whether the people arrested or those who fled are members of these hostile organizations and whether they took part in any of the last dozen armed terrorist acts against members of the Serbian MUP [Ministry of Internal Affairs], in which there were both killed and wounded.

No Use of Kosovo as a Bargaining Chip

Until it is all cleared up, and the trails discovered by the law enforcement agencies lead in every direction, especially toward West Europe, where the "leaders and soldiers" of these hostile organizations mostly hide—it is worth recalling who these hostile organizations are. The National Movement for a Republic of Kosovo emerged when it was distributing leaflets in 1989, but because of the public activity of the new Albanian political parties that have emerged, it never had great importance in Kosovo. Even the announcement in a pamphlet that it was starting a military organization of its membership, that it was collecting and importing arms, that it was doing training and creating its own military formations was not taken seriously. Especially on the Albanian political scene. There were those who said that that movement was a continuation of former Albanian underground Marxist-Leninist organizations which had hoped to gain importance by changing their name.

Matters are somewhat different with the National Movement for Liberation of Kosovo. Certain similar organizations and groups of Albanian extremists had emerged earlier under this name, but this organization is something else. They revealed their existence and activity in March of this year when in a few days they flooded all of Kosovo and Metohija with their "proclamation," in which they announced loudly and clearly not only to their enemy, the "mortal enemy"—the Serbian occupation regime, but also to the current Albanian political forces in Kosmet, that their objective is armed struggle until Kosovo is finally liberated. Nor did they conceal that they possess a military organization that is already established, that they had obtained sufficient weapons, that they have help from outside, and that this is the last moment to start an uprising.

Incidentally, here is a passage from that "proclamation," which has been continuously distributed even in Serbian yards as a warning of "what awaits the Serbs." After emphasizing that the "proclamation" came "from the depth of the soul of the Albanian people" and that "only armed warfare brings freedom," the National Movement for Liberation of Kosovo tells Albanians: "Long captivity in chains and fetters has brought to light serious consequences for the Albanian people: deep poverty, emigration, mistreatment, arrests, and murders. The kind of situation that has been created is one in which it is impossible to live without bringing about the 'national cause.' Both international and also internal circumstances clearly indicate that war is inevitable and that there is no freedom without complete mobilization of the people and without a strong military organization. The occupier will withdraw from Kosovo only if the armed Albanian population fights and if there is blood shed for freedom." After later issuing the task to all political parties and Albanian leaders, the entire Albanian people is called upon "to place itself at the service of its homeland."

BUJKU Is Quiet About Arms

It is of interest that after the proclamation of this hostile organization the only reaction in a press conference this spring came from Ibrahim Rugova, president of the self-proclaimed "Republic of Kosovo," as follows: "It is clear that there is extremism and radicalism that would solve the Kosovo issue by other than peaceful means," and he remarked that "there is a strong radical current, but that he hopes that the people is continuing to believe that we will find some political solution."

Only now, after it has been made public that members of this organization have been discovered and it has been announced that immense quantities of arms, mainly imported from abroad, have been found in various bunkers, has BUJKU published a report believed to be the work of the Information Center of Kosovo, which states that everything in connection with the arrest and public revelation of the members of these two hostile organizations is yet another political-propaganda canard of the Serbian regime, whose purpose at the present political moment is to show and prove the existence of armed terrorist groupings in Kosmet.